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Weekly Compilation of

Presidential Documents

Monday, July 6, 1998
Volume 34—Number 27
Pages 1243–1309

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Editor's Note: The President was in Hong Kong on the closing date of this issue. In order to meet publication and distribution deadlines during the Fourth of July holiday weekend, the cutoff time for this issue was advanced to 5 p.m. on Thursday, July 2, 1998. Documents released after that time will appear in the next issue.

WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

Published every Monday by the Office of the Federal Register, National Archives and Records Administration, Washington, DC 20408, the *Weekly Compilation of Presidential Documents* contains statements, messages, and other Presidential materials released by the White House during the preceding week.

The *Weekly Compilation of Presidential Documents* is published pursuant to the authority contained in the Federal Register Act (49 Stat. 500, as amended; 44 U.S.C. Ch. 15), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President (37 FR 23607; 1 CFR Part 10).

Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The *Weekly Compilation of Presidential Documents* will be furnished by mail to domestic subscribers for $80.00 per year ($137.00 for mailing first class) and to foreign subscribers for $93.75 per year, payable to the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The charge for a single copy is $3.00 ($3.75 for foreign mailing).

There are no restrictions on the republication of material appearing in the *Weekly Compilation of Presidential Documents.*

Message to the Senate Transmitting the Lithuania-United States Tax Convention With Documentation

June 26, 1998

To the Senate of the United States:

I transmit herewith for Senate advice and consent to ratification the Convention Between the United States of America and the Government of the Republic of Lithuania for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on January 15, 1998. Also transmitted is the report of the Department of State concerning the Convention.

This Convention, which is similar to tax treaties between the United States and OECD nations, provides maximum rates of tax to be applied to various types of income and protection from double taxation of income. The Convention also provides for resolution of disputes and sets forth rules making its benefits unavailable to residents that are engaged in treaty shopping.

I recommend that the Senate give early and favorable consideration to this Convention and that the Senate give its advice and consent to ratification.

William J. Clinton

The White House,
June 26, 1998.

NOTE: This message was released by the Office of the Press Secretary on June 27.

Message to the Senate Transmitting the Estonia-United States Tax Convention With Documentation

June 26, 1998

To the Senate of the United States:

I transmit herewith for Senate advice and consent to ratification the Convention Between the United States of America and the Republic of Estonia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on January 15, 1998. Also transmitted is the report of the Department of State concerning the Convention.

This Convention, which is similar to tax treaties between the United States and OECD nations, provides maximum rates of tax to be applied to various types of income and protection from double taxation of income. The Convention also provides for resolution of disputes and sets forth rules making its benefits unavailable to residents that are engaged in treaty shopping.

I recommend that the Senate give early and favorable consideration to this Convention and that the Senate give its advice and consent to ratification.

William J. Clinton

The White House,
June 26, 1998.

NOTE: This message was released by the Office of the Press Secretary on June 27.

Message to the Senate Transmitting the Latvia-United States Tax Convention With Documentation

June 26, 1998

To the Senate of the United States:

I transmit herewith for Senate advice and consent to ratification the Convention Between the United States of America and the Republic of Latvia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on January 15, 1998. Also transmitted is the report of the Department of State concerning the Convention.

This Convention, which is similar to tax treaties between the United States and OECD nations, provides maximum rates of tax to be applied to various types of income

and protection from double taxation of income. The Convention also provides for resolution of disputes and sets forth rules making its benefits unavailable to residents that are engaged in treaty shopping.

I recommend that the Senate give early and favorable consideration to this Convention and that the Senate give its advice and consent to ratification.

William J. Clinton

The White House,
June 26, 1998.

NOTE: This message was released by the Office of the Press Secretary on June 27.

The President's Radio Address

June 27, 1998

Good morning. I'm speaking to you today from Beijing. In just 2 days, I've seen some of the rich history and remarkable changes that are taking place in China, home to nearly one quarter of the world's population.

China is the oldest civilization on Earth. In Xi'an, on Friday, I saw the old and the new China, from magnificent Terra Cotta Warriors sculpted by artisans 2000 years before America was founded to the beginnings of democracy in a nearby village where residents soon will hold elections.

I've been touched by the warm reception given to me, my family, and the Members of Congress traveling with us. Tens of thousands of Chinese families have lined the streets to greet us. For all these people, China is changing. I see cell phones, beepers, new office buildings.

China is no longer the same country it was when President Nixon first came here 26 years ago. Never before have so many Chinese had the opportunity to start businesses; lift their families out of poverty; choose where to live, work, and travel; and enjoy the fruits of their labors. But there's also resistance to change, the legacy of a history that has not always been kind to the Chinese people and has left a deeply rooted fear of instability.

Today in Beijing I am meeting with China's leaders to talk about the future of our two countries and a relationship between us that is essential to a peaceful, stable, and prosperous world in the next century. We talked about the United States and China's mutual interests: promoting peace in Korea, where 40,000 U.S. soldiers still risk their lives to patrol the cold war's last frontier; preventing a nuclear arms race between India and Pakistan; restoring economic stability in Asia; stopping the spread of nuclear, chemical, and biological weapons and the missiles to deliver them; combatting international crime and drug trafficking; preserving the environment; and opening trade.

We also spoke frankly about our differences, especially concerning human rights. Over the past year, we have seen some progress in this area, though still far from enough. Some of China's famous political prisoners have been released, but others still languish in prison. The Government is loosening its control over many aspects of daily life, yet people still are not completely free to meet, to publish, to speak, to worship according to the dictates of their own hearts.

Throughout this trip, I will raise human rights and try to explain how freedom has been at the heart of America's success and prosperity. I will also argue that in this global information age, when economic success is built on ideas, personal freedom is necessary to the innovation and creativity that are essential to the greatness of any modern nation.

In dealing with China, we must stay true to a course that is both principled and pragmatic. We must continue to expand our areas of cooperation, even as we deal directly with our differences.

China is important to our future, with the largest population on Earth, a permanent seat on the United Nations Security Council, an economy increasingly connected to our own. Without China, it will be difficult to face the challenges, successfully, that affect all of us. With China, we can build a safer, more prosperous future for our children, a world of unlimited possibility in the new century.

Thanks for listening.

NOTE: The address was recorded at 7:30 p.m., Beijing time, on June 26 at the Diaoyutai residence in Beijing, China, for broadcast at 10:06 a.m., e.d.t., on June 27. This transcript was made available by the Office of the Press Secretary on

June 26 but was embargoed for release until the broadcast.

Remarks Prior to Discussions With President Jiang Zemin of China in Beijing

June 27, 1998

President Jiang. First of all, I'd like to welcome you, Mr. President, on the state visit to China. And I'm looking forward to an indepth exchange of views with you on a series of major issues.

Last fall I paid a state visit to your country at your invitation, and we made an important decision—that is, China and the United States would work together to establish a 21st century-oriented constructive, strategic partnership. Today your visit is another major event in China-U.S. relations.

The exchange of visits between the heads of state of China and the United States represents the common desire of our two peoples and also marks a new stage of growth for the bilateral relations. Facts have demonstrated that improvement in growth of China-U.S. relations are the inevitable development of the history and are irresistible for any force on Earth. I'm prepared to work together with you, Mr. President, to make your visit a complete success.

President Clinton. Thank you very much, Mr. President. As you know, this is my first trip to China, the first by an American President in 9 years. It comes only 8 months after your visit to the United States, which was very successful. I believe that these two visits demonstrate our commitment and our progress in building the constructive, strategic partnership we talked about last October.

I know that I speak for the vast majority of the American people when I say that this effort to improve and strengthen our relationship is very welcome. I have been impressed by the progress we have made and by the open and honest relationship we have developed in discussing all matters, and for that, I thank you very much.

I very much hope this trip will not only help us to expand our areas of cooperation and move toward reconciling our differences but also will help to increase the understanding of the American people about China and the Chinese people about America, because long after we are gone from the scene our people will have to carry on this partnership and this friendship.

NOTE: The President spoke at 9:23 a.m. in the Great Hall of the People. President Jiang spoke in Chinese, and his remarks were translated by an interpreter. A tape was not available for verification of the content of these remarks.

The President's News Conference With President Jiang in Beijing

June 27, 1998

President Jiang. Ladies and gentlemen, just now I've held official talks with President Clinton. The two sides have held an extensive and indepth exchange of views on China-U.S. relations and the major international and regional issues. The talks were positive, constructive, and productive.

The successful exchange of visits between the two heads of state of China and the United States marks a new stage of growth for China-U.S. relations. This not only serves the common interests of China and the United States, but also will be of important significance to promoting peace, stability, and prosperity in the Asia-Pacific and the world at large.

Peace and the development are the main themes of contemporary times. In the new historical conditions, the common interests between China and the United States are increasing, not decreasing. The foundation for cooperation between the two countries is reenforcing, not weakening.

Both sides believe that China and the United States, as the permanent members of the U.N. Security Council, should continue to work together to promote peace and security in the world and the Asia-Pacific in particular, to ease and eliminate all kinds of tensions and to prevent the proliferation of weapons of mass destruction, to strengthen the efforts in protecting the environment, combating international crime, drug trafficking, and international terrorism. Our two sides have agreed to further step up cooperation and the dialog between the two countries on major international issues.

China-U.S. relations are improving and growing. The cooperation between the two sides in many areas has made important progress. President Clinton and I have decided that China and the United States will not target the strategic nuclear weapons under their respective control at each other. This demonstrates to the entire world that China and the United States are partners, not adversaries.

I hereby wish to reiterate that since the very first day when China came into possession of nuclear weapons, China has undertaken not to be the first to use nuclear weapons under any circumstances.

President Clinton and I have reached a broad range of agreements and consensus on further increasing exchanges in cooperation between China and the United States in all areas in our bilateral relations. We have agreed to take positive steps to promote the growth of the mutually beneficial economic cooperation and trade between China and the United States and to expand the exchanges and the cooperation between the two countries in the energy, environment, scientific, educational, cultural, health, legal, and the military fields, and also to enhance the people-to-people exchanges and friendship.

We have also agreed to enhance the consultations and the cooperation between China and the United States on the issues of disarmament, arms control, and nonproliferation. And we have issued joint statements on the BWC protocol, on the question of the antipersonnel landmines, and on the question of South Asia.

The Taiwan question is the most important and the most sensitive issue at the core of China-U.S. relations. We hope that the U.S. side will adhere to the principles set forth in the three China-U.S. joint communiques and the joint China-U.S. statement, as well as the relevant commitments it has made in the interest of a smooth growth of China-U.S. relations.

The improvement and the growth of China-U.S. relations have not come by easily. It is the result of the concerted efforts of the Governments and people of our two countries. So we should all the more treasure this good result.

As China and the United States have different social systems, ideologies, values, and culture traditions, we have some difference of views on certain issues. However, they should not become the obstacles in the way of the growth of China-U.S. relations. The world is a colorful one. The development parts of the countries in the world should be chosen by the people of the countries concerned.

China and the United States should view and handle the bilateral relations from a long-term and strategic perspective. We should promote the growth of China-U.S. relations in the spirit of mutual respect, equality, mutual benefit, seeking common ground while putting aside differences and developing cooperation. I believe that through the concerted efforts of both sides, we will make constant progress in the direction of building a constructive, strategic partnership between China and the United States oriented towards the 21st century.

President Clinton. Thank you, Mr. President. And I also thank the Chinese people for their warm welcome to me, to my family, and to our delegation.

Over the past 5 years, President Jiang and I have met seven times. Mr. President, your leadership is helping us to transform our nations' relationship for the future. Clearly, a stable, open, prosperous China, shouldering its responsibilities for a safer world is good for America. Nothing makes that point better than today's agreement not to target our nuclear missiles at each other. We also agreed to do more to shore up stability in Asia, on the Korean Peninsula, and the Indian subcontinent.

I reaffirmed our longstanding ''one China'' policy to President Jiang and urged the pursuit of cross-strait discussions recently resumed as the best path to a peaceful resolution. In a similar vein, I urged President Jiang to assume a dialog with the Dalai Lama in return for the recognition that Tibet is a part of China and in recognition of the unique cultural and religious heritage of that region.

I welcome the progress we made today in nonproliferation, including China's decision to actively study joining the Missile Technology Control Regime, our joint commitment not to provide assistance to ballistic

missile programs in South Asia, and President Jiang's statement last week that China will not sell missiles to Iran.

We also welcome the steps China recently has taken to tighten nuclear export controls, to strengthen controls on the export of chemicals that can be turned into weapons, and to work jointly with us to strengthen the Biological Weapons Convention.

As the President said, we are also working together against international crime, drug trafficking, alien smuggling, stepping up our scientific cooperation, which already has produced remarkable breakthroughs in areas including the fight against birth defects like spina bifida. We're helping to eradicate polio and working to predict and to mitigate national disasters. And perhaps most important over the long run, we are committed to working together on clean energy to preserve our natural environment, a matter of urgent concern to both our nations. I am also very pleased by our cooperation on rule of law programs, from training lawyers and judges to providing legal assistance to the poor.

President Jiang and I agree on the importance of China's entry into the World Trade Organization. I regret we did not make more progress on this front, and we must recommit ourselves to achieving that goal on strong terms. We agree that we need to work together to avoid another round of destabilizing currency devaluations in the region and to restore economic growth.

As you can see, we are working together in many areas of cooperation. We have developed a relationship of openness and candor. When we differ, as we do from time to time, we speak openly and honestly in an effort to understand our differences and, if possible, to work toward a common approach to resolving them.

It is well known that the principal area of our difference in recent years has been over human rights questions. America recognizes and applauds China's economic and social transformation which has expanded the rights of its citizens by lifting hundreds of millions from poverty, providing them greater access to information, giving them village elections, greater freedom to travel and to choose their own jobs, and better education for their children.

As I said again to President Jiang, we Americans also firmly believe that individual rights, including the freedom of speech, association, and religion, are very important, not only to those who exercise them but also to nations whose success in the 21st century depends upon widespread individual knowledge, creativity, free exchange, and enterprise.

Therefore, we welcome China's decision to sign the International Covenant on Civil and Political Rights, the recent release of several prominent political dissidents, the recent visit China graciously accorded American religious leaders, and the resumption of a human rights dialog between China and the United States.

Earlier this morning, during my official welcome, I could hear and see the many echoes of China's past and the call of its promising future, for Tiananmen Square is an historical place. There, 100 years ago, China's quest for constitutional government was born. There, in 1919, young people rallied against foreign occupation and launched a powerful movement for China's political and cultural renewal. There, in 1976, public mourning for Zhou Enlai led to the Cultural Revolution's end and the beginning of your remarkable transformation. And there, 9 years ago, Chinese citizens of all ages raised their voices for democracy.

For all of our agreements, we still disagree about the meaning of what happened then. I believe and the American people believe that the use of force and the tragic loss of life was wrong. I believe and the American people believe that freedom of speech, association, and religion are, as recognized by U.N. Charter, the right of people everywhere and should be protected by their governments.

It was to advance these rights that our Founding Fathers in our Declaration of Independence pledged our lives, our fortunes, our sacred honor. Fifty years ago, the U.N. recognized these rights as the basic freedoms of people everywhere.

The question for us now is how shall we deal with such disagreements and still succeed in the important work of deepening our friendship and our sense of mutual respect?

First, we Americans must acknowledge the painful moments in our own history when fundamental human rights were denied. We must say that we know, still, we have to continue our work to advance the dignity and freedom and equality of our own people. And second, we must understand and respect the enormous challenges China has faced in trying to move forward against great odds, with a clear memory of the setbacks suffered in past periods of instability.

Finally, it is important that whatever our disagreements over past action, China and the United States must go forward on the right side of history for the future sake of the world. The forces of history have brought us to a new age of human possibility, but our dreams can only be recognized by nations whose citizens are both responsible and free.

Mr. President, that is the future America seeks to build with China, in partnership and honest friendship.

Tomorrow, Hillary and I will visit the Great Wall. The wall's builders knew they were building a permanent monument, even if they were unable to see it finished in their lifetimes. Likewise, we know we are building a friendship that will serve our descendants well, even if we, ourselves, will not see its full development across the next century and into the new millennium. Our friendship may never be perfect; no friendship is. But I hope it will last forever.

President Jiang. Now President Clinton and I are prepared to answer your questions, and now I'd like to give the first question to President Clinton.

President Clinton. Which—Chinese journalists, one of you? In the back there, yes? Yes, ma'am, go ahead.

Asian Financial Situation

Q. Thank you. I'm a correspondent with the Phoenix TV of Hong Kong. In the recent Asian financial crisis, the Chinese Government has pledged to maintain the value of RMB Asian currency and, thus, making positive contribution to stabilizing the situation in Asia. And this has attracted positive reaction from the international community and from the U.S. Government. However, yesterday, the exchange rate between Japanese yen and the U.S. dollar dropped again to a low of 143 yen against one dollar, and which was closed at 141 yen against one dollar. So, what specific common measures are the Chinese and the U.S. Government prepared to take to stabilize the financial situation in Asia and the world?

The President. Well, first of all, let me agree with you. I think that China has shown great statesmanship and strength in making a strong contribution to the stability not only of the Chinese people and their economy but the entire region, by maintaining the value of its currency.

The United States, as you know, has worked hard to try to support the stability of the Japanese yen and to help growth resume in Japan. I think that what we have agreed to do is to continue to do whatever we can to promote stability and to support policies within Japan that will restore confidence in the economy, get investment going again, and get growth going.

The key here, I believe, is for the plans to reform the financial institutions in Japan and take other steps that will get growth going and get investments going in Japan to be made. I think that, ultimately, President Jiang and I would give anything to be able to just wave a wand and have all of this go away. We are not the only actors in this drama, and a lot of this must be done by the Japanese Government and the Japanese people. We can be supportive, but they have to make the right decisions.

Human Rights

Q. My question to President Jiang and also to President Clinton is, we know that there were four dissidents in Xi'an who were arrested earlier and three were released, and one of them is still under detainment. And I would like to know if you talked about the issue. And what about the rest 2,000 dissidents who are being reported still under imprisonment right now in China? Can both of you elaborate on that? Thank you.

President Jiang. In our talks just now, President Clinton raised this issue. We adopt an attitude of extending very warm welcome to the visit to China by President Clinton.

As for the matter you raised, I think you're referring to the incident in Xi'an, and I think

in China there is no question that there is no restriction whatsoever on the coverage and interview by the reporters and the correspondents within the scope of law. But as for some activities that have been detrimental or have prejudiced the security, then the local authorities should take measures to deal with them, and it is also understandable.

As for the question you raised, actually, I do not have very detailed information in this regard. But as for the latter part of your question concerning 2,000 dissidents, I think in China we have our laws. And in China's constitution, it is clearly stipulated that the Chinese citizens have the freedom of speech, but any law-breaking activities must be dealt with according to law. I think this is true in any country of rule of law. And I think China's judicial departments will deal with the matter according to law.

I want to ask that I believe that the vast majority of the correspondents and the reporters are willing to promote the friendship between China and the United States through President Clinton's visit to China this time. However, before President Clinton's visit, I read some reports from some media and newspapers saying—alleging China had been involved in so-called political contributions in the United States. I really think it very absurd and ridiculous, and I think they are sheer fabrications. China can never do such a thing and China never interferes in other country's internal affairs.

Actually, at the talks this morning, President Clinton also asked me of this question. And I told him that after hearing of such an allegation, we conducted very earnest investigation into the matter. And the results of the investigation shows that there was never such a thing.

Recently, in my meetings with many foreign visitors and visiting leaders of other countries, I often said to them that as countries in the world have different social systems and values, it is something that should be allowed that they may have different understandings about one fact. And this actually, itself, is a representation and the manifestation of democracy.

However, what is important is that the fact itself should not be distorted.

I'm sorry I've taken up too much of the time, and I now invite President Clinton to say a few words.

President Clinton. Well, we did discuss the questions you raised. And of course, I made my views known about the recent detentions yesterday. On the larger question you raised, I actually made a couple of specific and practical suggestions about how we might take our dialog further there.

There are some people who are incarcerated now for offensives no longer on the books in China, reflecting real progress in present Chinese practice and the Chinese, in my view; we should acknowledge that. But the question then arises is there some way that these people might be released? Is there some procedure through which we could move? There are some people imprisoned for nonviolent activities in June of '89. Is there something that could be done there?

There are some other practical things we discussed, which I think it would be premature to ask the Chinese Government to make a statement on now because we just have had these discussions. But I want to say to all of you that the atmosphere—whatever your position on these issues is, and particularly if you agree with me, I think you should at least appreciate the fact that we now have an atmosphere in which it is possible for us to be open and honest and in great detail about this and that there are legitimate and honest differences in the way we look at this. But I believe that we are making progress, and I believe that we will make more.

I remember the things that I specified in my statement about that. You can see that neither one of us are shy about being strong about how we believe about this. And I think that we have them in the public debate now, we have them in the private discussions, and we just have to keep pushing forward in trying to work through it.

Nuclear Detargeting Agreement

Q. President Jiang spoke of China's position against the first use of nuclear weapons and the policy of the United States does not agree with. Was this discussed in the context of negotiations on the detargeting agreement? And where are any U.S. concessions

in order to obtain the detargeting agreement?

President Clinton. Well, the short answer to your question and the accurate one is, no, but I don't want it to be a misleading answer. That is, you well understand that our position on that issue is a product of decades of experience in a former time. We have not changed our position, nor are we prepared to do so on that.

But this was a mutual decision we made because we both felt that, number one, if we detargeted, we would completely eliminate the prospect ever of any kind of accidental launch, and number two, we would take one more step in showing mutual confidence and trust in one another, and number three, it would be a helpful signal as a counterweight to the recent nuclear tests in India and Pakistan. And so we agreed that it was in both our interests to do this on its own terms.

President Jiang. I would like to make a brief explanation. As I stated just now, President Clinton and I decided that China and the United States would not target the strategic nuclear weapons under their respective control at each other. Full stop—that's a full stop. And then this demonstrates to the entire world that China and the United States are partners, not adversaries. Full stop again. [*Laughter*] And then I said, I hereby reiterate, that since the very first day that China came into possession of nuclear weapons, China has undertaken not to be the first to use nuclear weapons under any circumstances. Full stop. That's my view. That's our view.

Human Rights

Q. My question is to President Jiang. At his opening statement, President Clinton expressed appreciation of the achievements made by the Chinese Government in respecting human rights. At the same time, he also said that China and the United States also had difference of views over this matter. So my question is, what is the position of the Chinese Government on the human rights issue?

President Jiang. China and the United States have differences of views and also have common ground on the human rights issue. More than 2,000 years ago, a great thinker of China's Han Dynasty, Dong Zhongshu, once said, ''Of all the living things nurtured between heaven and the Earth, the most valuable is human beings.'' So the Chinese nation always respects and maintains the dignity and rights of the people. Today the Chinese Government solemnly commits itself to the promotion and the protection of human rights and fundamental freedoms.

The United States is the most developed country in the world, with a per capita GDP approaching 30,000 U.S. dollars, while China is a developing country with a population of 1.2 billion, with a per capita GDP of less than 700 U.S. dollars. As the two countries differ in social system, ideology, historical tradition, and cultural background, the two countries have different means and ways in realizing human rights and fundamental freedoms. So it's nothing strange that we may have some difference of views over some issues.

China stresses that the top priority should be given to the right to subsistence and the right to development. Meanwhile, efforts should be made to strengthen democracy and the legal system building, and to protect the economic, social, cultural, civil, and the political rights of the people.

I listened very carefully to what President Clinton said just now, and I noticed that he made mention of the political disturbances happened in Tiananmen in 1989, and he also told the history of Tiananmen and told of the things that happened in Tiananmen.

With regard to the political disturbances in 1989, the Chinese people have long drawn a historical conclusion. During my visit to the United States last year and also on many international occasions, I have stated our position that with regard to the political disturbances in 1989, had the Chinese Government not taken the resolute measures, then we could not have enjoyed the stability that we are enjoying today.

China is a socialist country in which its people are masters of the nation. The Chinese people can elect their own representatives to the people's congresses through direct or indirect means, and they can fully express their views and exercise their political rights. In the two decades since the reform

and opening up program was started, the National People's Congress of China has adopted more than 320 laws and acts, thus, constantly strengthening the legal protection of the democracy, fundamental freedoms, and the various rights enjoyed by the Chinese people. Over the past two decades, another 200 million people in China were lifted out of poverty.

No country's human rights situation is perfect. Since the founding of new China, the fundamental changes and the tremendous achievements that have been achieved, that have been scored in the human rights conditions in China are for all to see. I'd like to know whether President Clinton will have anything more to add.

President Clinton. I would like to add a comment. First of all, I think this debate and discussion today has been a healthy thing and a good thing. Secondly, I think to understand the priority that each country attaches to its own interpretation of this issue of human rights, you have to understand something of our history.

The Chinese who are here understand better than I the price paid over time at various moments in history for disruption and upheaval in China, so there is an understandable desire to have stability in the country. Every country wants stability.

Our country was founded by people who felt they were abused by royal powers, by people in power, and they wanted to protect their personal liberties by putting limits on government. And they understood—they understood clearly, that any system—because human beings are imperfect, any system can be abused.

So the question for all societies going forward into the 21st century is, which is the better gamble? If you have a lot of personal freedom, some people may abuse it. But if you are so afraid of personal freedom because of the abuse that you limit people's freedom too much, then you pay, I believe, an even greater price in a world where the whole economy is based on ideas and information and exchange and debate and children everywhere dreaming dreams and feeling they can live their dreams out.

So I am trying to have a dialog here that will enable both of us to move forward so that the Chinese people will get the best possible result. I believe stability in the 21st century will require high levels of freedom.

President Jiang. I'm sorry, I have to take up an additional 5 minutes. [*Laughter*] So I'd like to say a few words on Dalai Lama. President Clinton is also interested in this question, in Dalai Lama. Actually, since the Dalai Lama left in 1959, earth-shaking changes have taken place in Tibet.

First, the system of bureaucracy has forever become bygones, though it is unfortunate that the disappearance of this bureaucracy was much later than the demise of bureaucracy in Europe before Renaissance. And the more than one million serfs under the rule of the Dalai Lama were liberated. In 1990 when I was in Tibet, I went to visit the liberated serfs. And now the system of national autonomy is in practice in Tibet, and the people there, they have their Tibetan autonomous region government.

Since I came to work in the central government, I have urged the rest of the 29 provinces, municipalities, and autonomous regions to assist Tibet in its development, even including those provinces that are not very developed, such as Qinghai Province. So altogether, nearly 8 billion RMB-yuan financial resources were raised and already 62 projects have been completed in Tibet.

As for the freedom of religious belief, there is fierce stipulations in our constitution for the protection of religious belief, and this also includes in Tibet. And we have also spent a lot of money in renovating the lamasis and temples in Tibet. And we have spent 100 million RMB-yuan and one ton of gold in renovating the Budala Palace.

Just now President Clinton also mentioned the Tibetan issue and the dialog with the Dalai Lama. Actually, as long as the Dalai Lama can publicly make the statement and a commitment that Tibet is an inalienable part of China and he must also recognize Taiwan as a province of China, then the door to dialog and negotiation is open. Actually, we are having several channels of communications with the Dalai Lama. So I hope the Dalai Lama will make positive response in this regard.

Finally, I want to emphasize that according to China's constitution, the freedom of religious belief in Tibet and also throughout China is protected. But as the President of the People's Republic of China and as a communist member, a member of the communist party, I myself am an atheist. But this will by no means affect my respect for the religious freedom in Tibet.

But still, I have a question. That is, during my visit to the United States last year and also during my previous visits to other European countries, I found that although the education in science and technology have developed to a very high level, and people are now enjoying modern civilization, but still quite a number of them have a belief in Lamaism. So this is a question that I'm still studying and still looking into. I want to find out the reason why.

I think President Clinton is a strong defender of the American interests, and I am a strong defender of the Chinese interests. But despite that, we still can have very friendly exchanges of views and discussions. And I think that is democracy. And I want to stress that, actually, there are a lot of areas in which we can learn from each other.

If you agree, we will finish this. [*Laughter*]

President Clinton. I agree, but I have—you have to let me say one thing about the Dalai Lama. [*Laughter*]

First, I agree that Tibet is a part of China, an autonomous region of China. And I can understand why the acknowledgement of that would be a precondition of dialog with the Dalai Lama. But I also believe that there are many, many Tibetans who still revere the Dalai Lama and view him as their spiritual leader.

President Jiang pointed out that he has a few followers of Tibetan Buddhism, even in the United States and Europe. But most of his followers have not given up their own religious faith. He has followers who are Christians—supporters, excuse me, not followers, supporters—who are Christians, who are Jews, who are Muslims, who believe in the unity of God, and who believe he is a holy man.

But for us, the question is not fundamentally religious; it is political. That is, we believe that other people should have the right to fully practice their religious beliefs and that if he, in good faith, presents himself on those terms, it is a legitimate thing for China to engage him in dialog.

And let me say something that will perhaps be unpopular with everyone. I have spent time with the Dalai Lama. I believe him to be an honest man, and I believe if he had a conversation with President Jiang, they would like each other very much. [*Laughter*]

NOTE: The President's 161st news conference began at 12:05 p.m. in the Western Hall of the Great Hall of the People. President Jiang spoke in Chinese, and his remarks were translated by an interpreter. A portion of this news conference could not be verified because the tape was incomplete.

Joint Statement on Anti-Personnel Landmines

June 27, 1998

The United States and China reaffirm their commitment to ending the humanitarian crisis caused by the indiscriminate use of anti-personnel landmines (APL). They both maintain that efforts to eliminate the APL threat to civilians should be pursued consistent with national security requirements.

The United States and China recognize the importance of the Amended Protocol II to the Convention on Conventional Weapons in addressing humanitarian concerns resulting from the indiscriminate use of landmines. They agree to work toward the early ratification of the Amended Protocol and urge others to ratify it as well.

The United States and China agree to actively pursue at the Conference on Disarmament the commencement of negotiations on an anti-personnel landmines transfer/export ban by supporting the prompt establishment of an Ad Hoc Committee.

The United States and China commit to accelerate global humanitarian demining operations with the objective of eliminating the threat of anti-personnel landmines to civilians as soon as possible. The United States and China reaffirm their commitments to

furnish demining assistance, which could include mine awareness, training in mine clearance, and technology for detection and clearance, through appropriate channels to affected countries with the objective of promoting their indigenous capacity for humanitarian demining.

NOTE: The joint statement was made available by the Office of the Press Secretary but was not issued as a White House press release.

Joint Statement on the Biological Weapons Convention

June 27, 1998

Recognizing the threat posed by biological and toxin weapons, the United States and China reaffirm their strong support for the complete global elimination of biological weapons. As States Parties to the Biological Weapons Convention, the two sides stress the importance of the Convention to international peace and security, fully support the purposes and objectives of the Convention, and favor comprehensively strengthening the effectiveness and universality of the Convention.

The United States and China each reaffirm that they are determined to strictly abide by the provisions of the Convention, to earnestly and comprehensively fulfill the obligations each has undertaken, shall not develop, produce or stockpile biological weapons under any circumstances and shall oppose the proliferation of biological weapons and their technology and equipment.

Both the United States and China support efforts to strengthen the effectiveness of the Convention, including the establishment of a practical and effective compliance mechanism. In this connection, the two sides positively appraise the work of the Ad Hoc Group set up for this purpose on negotiating a protocol to the Convention. The two sides believe the protocol must include efficient, practical and cost effective measures to deter proliferation or violation of the Convention and improve transparency. Appropriate measures should be formulated and implemented in a manner that takes into account protection of sensitive commercial information and legitimate security needs, and in light of relevant national laws and regulations. The two sides express their desire to cooperate in the negotiations and work together to further accelerate an early conclusion of the negotiations on the protocol.

The United States and China agree that they shall strive to enhance bilateral cooperation and exchanges in the field of bio-technology and vigorously engage in and promote the peaceful use of biological technology.

NOTE: The joint statement was made available by the Office of the Press Secretary but was not issued as a White House press release.

Remarks at a State Dinner Hosted by President Jiang in Beijing

June 27, 1998

President Jiang, Madame Wang, members of the Chinese Government, fellow guests; I am honored to be here representing the people of the United States in the Great Hall of the People which reflects the impressive progress of the Chinese people in the 20th century.

We Americans first saw it on our televisions 26 years ago when President Nixon became the first American leader to visit China. Those were the very first live pictures of China ever seen in my country. Across the United States, Americans were filled with great hope as relations resumed between our two great nations.

That visit changed history. It reminded us of the warmth each nation felt for the other, long before the cold war. It recalled our alliance in World War II and our long history of commercial relations dating back to the infancy of the United States. We were trading together before our Constitution was written. Even the tea that our Founding Fathers threw into the Boston Harbor in 1773 to protest British taxes was from China.

For most of our history we have looked upon China as a distant friend across the sea. As the Bamboo Curtain opened, Americans and Chinese learned about each other all over again. Starting with pandas and ping-pong players, we have built a broad and friendly relationship.

Today China and the United States cooperate across a wide range of enterprises,

in business, in the arts, in the academic world, and in the personal friendship that unites Chinese and Americans. More than one million Americans trace their roots to China. Every day, Chinese Americans build a better America, as entrepreneurs and architects, artists and public servants. And we form lifelong bonds with the thousands of Chinese students who study with us every year, teaching us their culture as they learn from ours.

Americans are proud that many of China's leaders spent time in the United States. Dr. Sun Yat-sen visited six times between 1896 and 1911, and he was in Denver when he learned he would become China's new leader. The great teacher, Hu Shi, was a student in New York when he pioneered a new system of expressing vernacular Chinese, an idea that changed China forever. I look forward to seeing Beijing University during its centennial year, a monument to Hu Shi and so many other friends of America.

As two great nations, the world looks to us to set a good example. In the last few months, we have seen how much we can and must do together, in our strong response to the crisis in India and Pakistan, our efforts for lasting peace on the Korean Peninsula, our cooperation to stem the flow of dangerous weapons around the world. In so many different ways, we are upholding the teachings of Mencius, who said: ''A good citizen in one community will befriend the other citizens of the community; a good citizen of the world will befriend the other citizens of the world.''

Mr. President, the American people admire the great strides China has taken. Your people are leading lives inconceivable just a generation ago. Your phenomenal growth over 20 years has opened new worlds of possibility, for jobs, for more schools, for greater mobility, for instant access to the outside world. We Americans appreciate the mutual respect of our relationship, a relationship based on cooperation, candor, and recognition of each nation's values and traditions.

An ancient Chinese proverb tells us: ''Be not afraid of growing slowly; be only afraid of standing still.'' Let us commit to keep moving forward together, turning small steps into giant strides for our people, our nations, and the world.

I ask you now to please join me in a toast to the President and the First Lady of the People's Republic of China and to the friendship joining our two peoples and the future we will build together. *Gan bei.*

NOTE: The President spoke at approximately 9:30 p.m. in the Banquet Hall of the Great Hall of the People. In his remarks, he referred to President Jiang Zemin of China and his wife, Wang Yeping.

Remarks at Chongwenmen Church in Beijing

June 28, 1998

Thank you, Reverend Wu, Reverend Siu, Reverend Yin. Ladies and gentlemen, thank you for making me and my family and our party of Americans feel so welcome in your church today. We are a long way from home, but we felt very much at home with you here in this church.

We celebrate with you the growth of the practice of our faith in China, and we rejoice to hear Reverend Siu cite the numbers of churches and other places of worship where people are practicing their faith today.

The sermon today was on the unity of the church and our unity with God in the church. I would like to add only one point: I believe our faith calls upon us to seek unity with people across the world of different races and backgrounds and creeds. In the Book of Acts, the 26th verse, it is said that God has made from one blood every nation to dwell on the surface of the Earth. I believe that is true. Therefore, I believe that Chinese and Americans are brothers and sisters as children of God. We come here in that spirit today, grateful for your welcome.

NOTE: The President spoke at 10:31 a.m. In his remarks, he referred to Rev. Wu Wei and Rev. Siu Zeshing, principal ministers, and Rev. Yin Hongtao, minister trainee, Chongwenmen Church. A tape was not available for verification of the content of these remarks.

Exchange With Reporters at the Great Wall in Mutianyu, China

June 28, 1998

Visit to the Great Wall

Q. What are your impressions of the wall, Mr. President?

The President. Quite unbelievable. It's amazing to imagine that it was done so long ago. They've even had bricks here for 400 and some odd years.

Q. Do you see any analogies, sir, to the way China is now and the way it was then?

The President. No. [*Laughter*] I said yesterday that I felt—I believe this wall now is a symbol that China shows to the rest of the world, not a wall to keep people out. It sort of unifies the country for over 7,000 kilometers.

Visit to Chongwenmen Church

Q. Mr. President, could you tell us what the woman in the church wanted to talk to you about today?

The President. She just kept saying how happy she was I was in the church and how she wished I could come to the little village where she was from. She was very emotional. But as nearly as I can tell, there was nothing specific that she was saying. She kept thanking me for being there and saying that she was glad I was there, and she wished I could come to her village, her home village.

Visit to the Great Wall

Q. What do you think, Mrs. Clinton? What are your impressions?

Mrs. Clinton. Magnificent.

The President. You know, the part—the steep incline you see up there, we were told, is the steepest part of the wall. So if we had a couple of hours, we could walk 10 kilometers, and we'd hit the biggest incline, and we'd all be in very good shape when we finished. Or we'd be finished. [*Laughter*]

Q. Was it a good workout anyway?

The President. It was a good workout. It was great.

Nice cap, Peter [Peter Maer, NBC Mutual Radio].

Q. Thank you, sir.

NOTE: The exchange began at 2:45 p.m. A tape was not available for verification of the content of this exchange.

Remarks and a Question-and-Answer Session With Students at Beijing University in Beijing, China

June 29, 1998

The President. Thank you. Thank you, President Chen, Chairman Ren, Vice President Chi, Vice Minister Wei. We are delighted to be here today with a very large American delegation, including the First Lady and our daughter, who is a student at Stanford, one of the schools with which Beijing University has a relationship. We have six Members of the United States Congress; the Secretary of State; Secretary of Commerce; the Secretary of Agriculture; the Chairman of our Council of Economic Advisers; Senator Sasser, our Ambassador; the National Security Adviser; and my Chief of Staff, among others. I say that to illustrate the importance that the United States places on our relationship with China.

I would like to begin by congratulating all of you, the students, the faculty, the administrators, on celebrating the centennial year of your university. *Gongxi,* "Beida".

As I'm sure all of you know, this campus was once home to Yenching University which was founded by American missionaries. Many of its wonderful buildings were designed by an American architect. Thousands of American students and professors have come here to study and teach. We feel a special kinship with you.

I am, however, grateful that this day is different in one important respect from another important occasion 79 years ago. In June of 1919, the first president of Yenching University, John Leighton Stuart, was set to deliver the very first commencement address on these very grounds. At the appointed hour, he appeared, but no students appeared. They were all out leading the May 4th Movement for China's political and cultural renewal. When I read this, I hoped that when I walked into the auditorium today, someone would be sitting here. And I thank you for being here, very much.

Over the last 100 years, this university has grown to more than 20,000 students. Your graduates are spread throughout China and around the world. You have built the largest university library in all of Asia. Last year 20 percent of your graduates went abroad to study, including half of your math and science majors. And in this anniversary year, more than a million people in China, Asia, and beyond have logged on to your Web site. At the dawn of a new century, this university is leading China into the future.

I come here today to talk to you, the next generation of China's leaders, about the critical importance to your future of building a strong partnership between China and the United States.

The American people deeply admire China for its thousands of years of contributions to culture and religion, to philosophy and the arts, to science and technology. We remember well our strong partnership in World War II. Now we see China at a moment in history when your glorious past is matched by your present sweeping transformation and the even greater promise of your future.

Just three decades ago, China was virtually shut off from the world. Now, China is a member of more than 1,000 international organizations, enterprises that affect everything from air travel to agricultural development. You have opened your nation to trade and investment on a large scale. Today, 40,000 young Chinese study in the United States, with hundreds of thousands more learning in Asia, Africa, Europe, and Latin America.

Your social and economic transformation has been even more remarkable, moving from a closed command economic system to a driving, increasingly market-based and driven economy, generating two decades of unprecedented growth, giving people greater freedom to travel within and outside China, to vote in village elections, to own a home, choose a job, attend a better school. As a result, you have lifted literally hundreds of millions of people from poverty. Per capita income has more than doubled in the last decade. Most Chinese people are leading lives they could not have imagined just 20 years ago.

Of course, these changes have also brought disruptions in settled patterns of life and work and have imposed enormous strains on your environment. Once every urban Chinese was guaranteed employment in a state enterprise. Now you must compete in a job market. Once a Chinese worker had only to meet the demands of a central planner in Beijing. Now the global economy means all must match the quality and creativity of the rest of the world. For those who lack the right training and skills and support, this new world can be daunting.

In the short term, good, hardworking people—some, at least, will find themselves unemployed. And as all of you can see, there have been enormous environmental and economic and health care costs to the development pattern and the energy use pattern of the last 20 years, from air pollution to deforestation to acid rain and water shortage.

In the face of these challenges, new systems of training and social security will have to be devised, and new environmental policies and technologies will have to be introduced with the goal of growing your economy while improving the environment. Everything I know about the intelligence, the ingenuity, the enterprise of the Chinese people and everything I have heard these last few days in my discussions with President Jiang, Prime Minister Zhu, and others give me confidence that you will succeed.

As you build a new China, America wants to build a new relationship with you. We want China to be successful, secure, and open, working with us for a more peaceful and prosperous world. I know there are those in China and the United States who question whether closer relations between our countries is a good thing. But everything all of us know about the way the world is changing and the challenges your generation will face tell us that our two nations will be far better off working together than apart.

The late Deng Xiaoping counseled us to seek truth from facts. At the dawn of the new century, the facts are clear. The distance between our two nations, indeed between any nations, is shrinking. Where once an American clipper ship took months to cross from China to the United States, today, technology has made us all virtual neighbors.

From laptops to lasers, from microchips to megabytes, an information revolution is lighting the landscape of human knowledge, bringing us all closer together. Ideas, information, and money cross the planet at the stroke of a computer key, bringing with them extraordinary opportunities to create wealth, to prevent and conquer disease, to foster greater understanding among peoples of different histories and different cultures.

But we also know that this greater openness and faster change mean that problems which start beyond one nation's borders can quickly move inside them: the spread of weapons of mass destruction; the threats of organized crime and drug trafficking, of environmental degradation, and severe economic dislocation. No nation can isolate itself from these problems, and no nation can solve them alone. We, especially the younger generations of China and the United States, must make common cause of our common challenges, so that we can, together, shape a new century of brilliant possibilities.

In the 21st century—your century—China and the United States will face the challenge of security in Asia. On the Korean Peninsula, where once we were adversaries, today, we are working together for a permanent peace and a future freer of nuclear weapons.

On the Indian subcontinent, just as most of the rest of the world is moving away from nuclear danger, India and Pakistan risk sparking a new arms race. We are now pursuing a common strategy to move India and Pakistan away from further testing and toward a dialog to resolve their differences.

In the 21st century, your generation must face the challenge of stopping the spread of deadlier nuclear, chemical, and biological weapons. In the wrong hands or the wrong places, these weapons can threaten the peace of nations large and small. Increasingly, China and the United States agree on the importance of stopping proliferation. That is why we are beginning to act in concert to control the world's most dangerous weapons.

In the 21st century, your generation will have to reverse the international tide of crime and drugs. Around the world, organized crime robs people of billions of dollars every year and undermines trust in government. America knows all about the devastation and despair that drugs can bring to schools and neighborhoods. With borders on more than a dozen countries, China has become a crossroad for smugglers of all kinds.

Last year, President Jiang and I asked senior Chinese and American law enforcement officials to step up our cooperation against these predators, to stop money from being laundered, to stop aliens from being cruelly smuggled, to stop currencies from being undermined by counterfeiting. Just this month, our Drug Enforcement Agency opened an office in Beijing, and soon Chinese counter-narcotics experts will be working out of Washington.

In the 21st century, your generation must make it your mission to ensure that today's progress does not come at tomorrow's expense. China's remarkable growth in the last two decades has come with a toxic cost, pollutants that foul the water you drink and the air you breathe. The cost is not only environmental; it is also serious in terms of the health consequences of your people and in terms of the drag on economic growth.

Environmental problems are also increasingly global as well as national. For example, in the near future, if present energy use patterns persist, China will overtake the United States as the world's largest emitter of greenhouse gases, the gases which are the principal cause of global warming. If the nations of the world do not reduce the gases which are causing global warming, sometime in the next century there is a serious risk of dramatic changes in climate which will change the way we live and the way we work, which could literally bury some island nations under mountains of water and undermine the economic and social fabric of nations.

We must work together. We Americans know from our own experience that it is possible to grow an economy while improving the environment. We must do that together for ourselves and for the world. Building on the work that our Vice President, Al Gore, has done previously with the Chinese Government, President Jiang and I are working together on ways to bring American clean energy technology to help improve air quality and grow the Chinese economy at the same time.

But I will say this again—this is not on my remarks—your generation must do more about this. This is a huge challenge for you, for the American people, and for the future of the world. And it must be addressed at the university level, because political leaders will never be willing to adopt environmental measures if they believe it will lead to large-scale unemployment or more poverty. The evidence is clear; that does not have to happen. You will actually have more rapid economic growth and better paying jobs, leading to higher levels of education and technology if we do this in the proper way. But you and the university, communities in China, the United States, and throughout the world will have to lead the way.

In the 21st century, your generation must also lead the challenge of an international financial system that has no respect for national borders. When stock markets fall in Hong Kong or Jakarta, the effects are no longer local; they are global. The vibrant growth of your own economy is tied closely, therefore, to the restoration of stability and growth in the Asia-Pacific region.

China has steadfastly shouldered its responsibilities to the region and the world in this latest financial crisis, helping to prevent another cycle of dangerous devaluations. We must continue to work together to counter this threat to the global financial system and to the growth and prosperity which should be embracing all of this region.

In the 21st century, your generation will have a remarkable opportunity to bring together the talents of our scientists, doctors, engineers into a shared quest for progress. Already the breakthroughs we have achieved in our areas of joint cooperation—in challenges from dealing with spina bifida to dealing with extreme weather conditions and earthquakes—have proved what we can do together to change the lives of millions of people in China and the United States and around the world. Expanding our cooperation in science and technology can be one of our greatest gifts to the future.

In each of these vital areas that I have mentioned, we can clearly accomplish so much more by walking together rather than standing apart. That is why we should work to see that the productive relationship we now enjoy blossoms into a fuller partnership in the new century.

If that is to happen, it is very important that we understand each other better, that we understand both our common interest and our shared aspirations and our honest differences. I believe the kind of open, direct exchange that President Jiang and I had on Saturday at our press conference, which I know many of you watched on television, can both clarify and narrow our differences, and more important, by allowing people to understand and debate and discuss these things, can give a greater sense of confidence to our people that we can make a better future.

From the windows of the White House, where I live in Washington, DC, the monument to our first President, George Washington, dominates the skyline. It is a very tall obelisk. But very near this large monument there is a small stone which contains these words: ''The United States neither established titles of nobility and royalty, nor created a hereditary system. State affairs are put to the vote of public opinion.''

This created a new political situation, unprecedented from ancient times to the present. How wonderful it is. Those words were not written by an American. They were written by Xu Jiyu, Governor of Fujian Province, inscribed as a gift from the Government of China to our Nation in 1853.

I am very grateful for that gift from China. It goes to the heart of who we are as a people, the right to life, liberty, and the pursuit of happiness, the freedom to debate, to dissent, to associate, to worship without interference from the state. These are the ideals that were at the core of our founding over 220 years ago. These are the ideas that led us across our continent and onto the world stage. These are the ideals that Americans cherish today.

As I said in my press conference with President Jiang, we have an ongoing quest ourselves to live up to those ideals. The people who framed our Constitution understood that we would never achieve perfection. They said that the mission of America would always be ''to form a more perfect Union,''—in other words, that we would never be perfect, but we had to keep trying to do better.

The darkest moments in our history have come when we abandoned the effort to do better, when we denied freedom to our people because of their race or their religion, because there were new immigrants or because they held unpopular opinions. The best moments in our history have come when we protected the freedom of people who held unpopular opinion or extended rights enjoyed by the many to the few who had previously been denied them, making, therefore, the promises of our Declaration of Independence and Constitution more than faded words on old parchment.

Today, we do not seek to impose our vision on others, but we are convinced that certain rights are universal, not American rights or European rights or rights for developed nations but the birthrights of people everywhere, now enshrined in the United Nations Declaration on Human Rights, the right to be treated with dignity, the right to express one's opinions, to choose one's own leaders, to associate freely with others, and to worship or not, freely, however one chooses.

In the last letter of his life, the author of our Declaration of Independence and our third President, Thomas Jefferson, said then that ''all eyes are opening to the rights of man.'' I believe that in this time, at long last, 172 years after Jefferson wrote those words, all eyes are opening to the rights of men and women everywhere.

Over the past two decades, a rising tide of freedom has lifted the lives of millions around the world, sweeping away failed dictatorial systems in the former Soviet Union, throughout Central Europe, ending a vicious cycle of military coups and civil wars in Latin America, giving more people in Africa the chance to make the most of their hard-won independence. And from the Philippines to South Korea, from Thailand to Mongolia, freedom has reached Asia's shores, powering a surge of growth and productivity.

Economic security also can be an essential element of freedom. It is recognized in the United Nations Covenant on Economic, Social, and Cultural Rights. In China, you have made extraordinary strides in nurturing that liberty and spreading freedom from want, to be a source of strength to your people. Incomes are up, poverty is down; people do have more choices of jobs and the ability to travel, the ability to make a better life. But true freedom includes more than economic freedom. In America, we believe it is a concept which is indivisible.

Over the past 4 days, I have seen freedom in many manifestations in China. I have seen the fresh shoots of democracy growing in the villages of your heartland. I have visited a village that chose its own leaders in free elections. I have also seen the cell phones, the video players, the fax machines carrying ideas, information, and images from all over the world. I've heard people speak their minds, and I have joined people in prayer in the faith of my own choosing. In all these ways, I felt a steady breeze of freedom.

The question is, where do we go from here? How do we work together to be on the right side of history together? More than 50 years ago, Hu Shi, one of your great political thinkers and a teacher at this university, said these words: ''Now some people say to me you must sacrifice your individual freedom so that the nation may be free. But I reply, the struggle for individual freedom is the struggle for the nation's freedom. The struggle for your own character is the struggle for the nation's character.'' We Americans believe Hu Shi was right. We believe and our experience demonstrates that freedom strengthens stability and helps nations to change.

One of our Founding Fathers, Benjamin Franklin, once said, ''Our critics are our friends, for they show us our faults.'' Now, if that is true, there are many days in the United States when the President has more friends than anyone else in America. [*Laughter*] But it is so.

In the world we live in, this global information age, constant improvement and change is necessary to economic opportunity and to national strength. Therefore, the freest possible flow of information, ideas, and opinions and a greater respect for divergent political and religious convictions will actually breed strength and stability going forward.

It is, therefore, profoundly in your interest, and the world's, that young Chinese minds be free to reach the fullness of their potential. That is the message of our time and the

mandate of the new century and the new millennium.

I hope China will more fully embrace this mandate. For all the grandeur of your history, I believe your greatest days are still ahead. Against great odds in the 20th century, China has not only survived, it is moving forward dramatically.

Other ancient cultures failed because they failed to change. China has constantly proven the capacity to change and grow. Now, you must reimagine China again for a new century, and your generation must be at the heart of China's regeneration.

The new century is upon us. All our sights are turned toward the future. Now, your country has known more millennia than the United States has known centuries. Today, however, China is as young as any nation on Earth. This new century can be the dawn of a new China, proud of your ancient greatness, proud of what you are doing, prouder still of the tomorrows to come. It can be a time when the world again looks to China for the vigor of its culture, the freshness of its thinking, the elevation of human dignity that is apparent in its works. It can be a time when the oldest of nations helps to make a new world.

The United States wants to work with you to make that time a reality.

Thank you very much.

Expanding U.S. Understanding of China

Q. Mr. President, I'm very honored to be the first one to raise question. Just as you mentioned in your address, Chinese and American people should join hands and move forward together. And what is most important in this process is for us to have more exchanges.

In our view, since China is opening up in reform, we have had better understanding of the culture, history, and literature of America, and we have also learned a lot about you from the biography. And we have also learned about a lot of American Presidents. And we have also seen the movie *Titanic.* But it seems that the American people's understanding of the Chinese people is not as much as the other way around. Maybe they are only seeing China through several movies, describing the Cultural Revolution or the rural life.

So my question is, as the first President of the United States visiting China in 10 years, what do you plan to do to enhance the real understanding and the respect between our two peoples?

Thank you.

The President. First of all, I think that's a very good point. And one of the reasons that I came here was to try to—because, as you can see, a few people come with me from the news media—I hope that my trip would help to show a full and balanced picture of modern China to the United States, and that by coming here, it would encourage others to come here and others to participate in the life of China.

I see a young man out in the audience who introduced himself to me yesterday as the first American ever to be a law student in China. So I hope we will have many more Americans coming here to study, many more Americans coming here to be tourists, many more Americans coming here to do business. The First Lady this morning and the Secretary of State had a meeting on a legal project. We are doing a lot of projects together with the Chinese to help promote the rule of law. That should bring a lot more people here.

I think there is no easy answer to your question. It's something we have to work at. We just need more people involved and more kinds of contacts. And I think the more we can do that, the better.

Is there another question?

Taiwan

Q. Mr. President, as a Chinese, I'm very interested in the reunification of my motherland. Since 1972, progress has been made on the question of Taiwan question, but we have seen that the Americans repeatedly are selling advanced weapons to Taiwan. And to our great indignation, we have seen that the United States and Japan have renewed the U.S.-Japan security treaty. And according to some Japanese officials, this treaty even includes Taiwan Province of China. So I have to ask, if China were to send its naval facility to Hawaii, and if China were to sign a security treaty with other countries against one

part of the United States, will the United States agree to such an act? Will the American people agree to such an act?

The President. First of all, the United States policy is not an obstacle to the peaceful reunification of China and Taiwan. Our policy is embodied in the three communiques and in the Taiwan Relations Act. Our country recognized China and embraced a ''one China'' policy almost 20 years ago. And I reaffirmed our ''one China'' policy to President Jiang in our meetings.

Now, when the United States and China reached agreement that we would have a ''one China'' policy, we also reached agreement that the reunification would occur by peaceful means, and we have encouraged the cross-strait dialog to achieve that. Our policy is that any weapon sales, therefore, to Taiwan must be for defensive purposes only, and that the country must not believe—China must not believe that we are in any way trying to undermine our own ''one China'' policy. It is our policy. But we do believe it should occur—any reunification should occur peacefully.

Now, on Japan, if you read the security agreement we signed with Japan, I think it will be clear from its terms that the agreement is not directed against any country but rather in support of stability in Asia. We have forces in South Korea that are designed to deter a resumption of the Korean war across the dividing line between the two Koreas. Our forces in Japan are largely designed to help us promote stability anywhere in the Asia-Pacific region on short notice. But I believe that it is not fair to say that either Japan or the United States have a security relationship that is designed to contain China. Indeed, what both countries want is a security partnership with China for the 21st century.

For example, you mentioned NATO, we have expanded NATO in Europe, but we also have made a treaty, an agreement between NATO and Russia, to prove that we are not against Russia anymore. And the most important thing NATO has done in the last 5 years is to work side by side with Russia to end the war in Bosnia. And I predict to you that what you see us doing with China now, working together to try to limit the tension from the Indian and the Pakistani nuclear tests, you will see more and more and more of that in the future. And I think you will see a lot of security cooperation in that area. And we can't see the agreements of today through the mirror of yesterday's conflicts.

China-U.S. Relations

Q. Mr. President, I've very glad to have this opportunity to ask you a question. With a friendly smile you have set foot on the soil of China, and you have come to the campus of ''Beida'', so we are very excited and honored by your presence, for the Chinese people really aspire for the friendship between China and the United States on the basis of equality. As I know that—before your departure from the States, you said that the reason for you to visit China is because China is too important, and engagement is better than containment.

I'd like to ask you whether this sentence is kind of a commitment you made for your visit or do you have any other hidden sayings behind this smile. Do you have any other design to contain China? [*Laughter*]

The President. If I did, I wouldn't mask it behind a smile. [*Laughter*] But I don't. That is, my words mean exactly what they say. We have to make a decision, all of us do, but especially the people who live in large nations with great influence must decide how to define their greatness.

When the Soviet Union went away, Russia had to decide how to define its greatness. Would they attempt to develop the human capacity of the Russian people and work in partnership with their neighbors for a greater future, or would they remember the bad things that happened to them in the past 200 years and think the only way they could be great would be to dominate their neighbors militarily? They chose a forward course. The world is a better place.

The same thing is true with China. You will decide, both in terms of your policies within your country and beyond, what does it mean that China will be a great power in the 21st century? Does it mean that you will have enormous economic success? Does it mean you will have enormous cultural influence? Does it mean that you will be able to play a large role in solving the problems of the world? Or does it mean you will be

able to dominate your neighbors in some form or fashion, whether they like it or not? This is the decision that every great country has to make.

You ask me, do I really want to contain China? The answer is no. The American people have always had a very warm feeling toward China that has been interrupted from time to time when we have had problems. But if you go back through the history of our country, there's always been a feeling on the part of our people that we ought to be close to the Chinese people. And I believe that it would be far better for the people of the United States to have a partnership on equal, respectful terms with China in the 21st century than to have to spend enormous amounts of time and money trying to contain China because we disagree with what's going on beyond our borders. So I do not want that. I want a partnership. I'm not hiding another design behind a smile; it's what I really believe, because I think it's good for the American people, and it's my job to do what's good for them. What's good for them is to have a good relationship with you.

Education/Aspirations for Young People

Q. Mr. President, I'm going to graduate this year, and I'm going to work in Bank of China. Just now, Mr. President, you mentioned the responsibilities of the young generation of the two countries for international security, environment, and the financial stability. I think they are really important. And I think the most important thing is for the young people to be well educated. And I know, Mr. President, you love your daughter very much, and she is now studying at Stanford. So, my question is—several years ago you proposed the concept of knowledge economy, so, my first question is, what do you think the education of higher learning, what kind of role can this play in the future knowledge economy?

And the second question is, what expectations do you have, Mr. President, for the younger generation of our two countries?

The President. Let me answer the knowledge economy question first. And let me answer by telling you what I have tried to do in the United States. I have tried to create a situation in America in which the doors of universities and colleges are open to every young person who has sufficient academic achievement to get in, that there are no financial burdens of any kind. And we have not completely achieved it, but we have made a great deal of progress.

Now, why would I do that? Because I believe that the more advanced an economy becomes, the more important it is to have a higher and higher and higher percentage of people with a university education. Let me just tell you how important it is in the United States. We count our people—every 10 years we do a census and we count the numbers of the American people, and we get all kinds of information on them. In the 1990 census, younger Americans who had a college degree were overwhelmingly likely to get good jobs and have their incomes grow. Younger Americans who had 2 years or more of university were likely to get good jobs and have their incomes grow. Younger Americans who didn't go to university at all were likely to get jobs where their incomes declined and were much more likely to be unemployed.

And the more advanced China's economy becomes, the more that will be true of China, the more you will need very large numbers of people getting university education and technical education. So I think it is very, very important.

Now, let me say one expectation I have for the younger generation of Americans and Chinese that has nothing to do with economics. One of the biggest threats to your future is a world which is dominated not by modern problems but by ancient hatreds. Look around the world, and see how much trouble is being caused by people who dislike each other because of their racial or their religious or their ethnic differences, whether it's in Bosnia or the conflict between the Indians and the Pakistanis or in the Middle East or the tribal continents in Africa.

You look all over the world, you see these kind of problems. Young people are more open to others who are different, more interested in people who are different. And I hope young people in China and young people in America that have a good education will be a strong voice in the world against giving in to this sort of hating people or looking down on them simply because they're different.

Thank you. [*Applause*]

U.S. Domestic Human Rights Issues

Q. Mr. President, with regard to the question of democracy, human rights, and freedom, actually this is an issue of great interest to both the Chinese and American peoples. But to be honest, our two countries have some differences over these issues. In your address just now you made a very proud review and retrospection of the history of the American democracy in human rights. And you have also made some suggestions for China. Of course, for the sincere suggestions, we welcome. But I think I recall one saying, that is we should have both criticism and self-criticism.

So now I'd like to ask you a question. Do you think that in the United States today, there are also some problems in the area of democracy, freedom, and human rights, and what your Government has done in improving the situation?

The President. I do, and first of all, let me say, I never raise this question overseas in any country, not just China, without acknowledging first, that our country has had terrible problems in this area—keep in mind, slavery was legal in America for many years—and that we are still not perfect. I always say that, because I don't think it's right for any person to claim that he or she lives in a perfect country. We're all struggling toward ideals to live a better life. So I agree with the general point you made.

Now, I will give you two examples. We still have some instances of discrimination in America, in housing or employment or other areas based on race. And we have a system set up to deal with it, but we have not totally eliminated it. And in the last year, I have been engaging the American people in a conversation on this subject, and we have tried to identify the things that Government should do, the things that the American people should do either through the local government or through other organizations, and the attitudes that should change the minds and hearts of the American people. So that's one example.

Now, let me give you another example. We have—when I ran for President in 1992, I was in a hotel in New York City, and an American immigrant from Greece came up to me, and he said, ''My son is 10 years old, and he studies the election in school, and he says I should vote for you.'' But he said, ''If I vote for you, I want you to make my son free, because my son is not really free.'' So I asked this man, ''What do you mean?'' And he said, ''Well, the crime is so high in my neighborhood, there are so many guns and gangs, that my son does not feel that he—I can't let him walk to school by himself or go across the street to play in the park. So if I vote for you, I want you to make my son free.''

I think that's important, because, you see, in America, we tend to view freedom as the freedom from Government abuse or from Government control. That is our heritage. Our Founders came here to escape the monarchy in England. But sometimes freedom requires affirmative steps by Government to give everyone an equal opportunity to have an education and make a decent living and to preserve a lawful environment. So I work very hard to try to bring the crime rate down in America, and it's now lower than it has been at any time in 25 years, which means that more of our children are free. But the crime rate is still high; there is still too much violence.

So we Americans need to be sensitive not only to preserve the freedoms that we hold dear but also to create an environment in which people can build a truly good and free life.

That's a good question.

Freedom

Q. Mr. President, you are warmly welcome to ''Beida''. You mentioned a sentence by Mr. Xu Jiyu, but our former President once said that when the great moral is in practice, the morals, they will not contradict each other. And I don't think the individual freedom and the collective freedom will contradict each other. But in China the prosperous development of the nation is actually the free choice of our people, and it's also the result of their efforts. So I think that freedom, real freedom, should mean for the people to freely choose the way of life they like and also to develop. And I also think that only those who can really respect the freedom of others can

really say that they understand what freedom means.

I don't know whether you agree with me or not.

The President. First of all, if you believe in freedom, you have to respect the freedom of others to make another choice. And even societies that have rather radical views of individual freedom recognize limits on that freedom when it interferes with preserving other people's rights.

For example, there's one of our famous court cases which says we have freedom of speech, but no one should be free to shout the word ''fire'' in a crowded movie theater where there is no fire and cause people to stampede over each other. There's another famous court decision that says my freedom ends where the other person's nose begins, meaning that you don't have the freedom to hit someone else.

So I agree with that. People have the freedom to choose and you have to respect other people's freedom, and they have the right to make decisions that are different from yours. And there will never be a time when our systems and our cultures and our choices will be completely identical. That's one of the things that makes life interesting.

U.S. Economic Expansion/Protest Demonstrations

Q. Mr. President, I have two questions. The first question is, the U.S. economy has been growing for more than 18 months, so I'd like to ask, apart from your personal contribution to the United States, what other factors do you think important for the success of the U.S. economy? Maybe they can serve as good reference for China.

The second question is, when President Jiang Zemin visited Harvard University last year, there were a lot of students outside the hall demonstrating, so I'd like you, Mr. President, if you are in Beijing University and if there were a lot of students outside protesting and demonstrating, what feeling would you have?

The President. Well, first of all, on the United States economy, I believe that the principal role of Government policy since I've been President was to, first of all, get our big Government deficit—we had a huge annual deficit in spending—we got that under control. We're about to have the first balanced budget in 30 years. That drove interest rates down and freed up a lot of money to be invested in creating jobs in the private sector. Then the second thing we did was to expand trade a lot, so we began to sell a lot more around the world than we had before. And the third thing we did was to attempt to invest more in our people, in research, development, technology, and education.

Now, in addition to that, however, a lot of the credit here goes to the American people themselves. We have a very sophisticated business community; they were investing money in new technologies and in new markets and in training people. We have an environment where it's quite easy for people to start a business, and perhaps this is the area that might be most helpful to China.

I know that my wife has done a lot of work around the world in villages, trying to get credit to villagers so they could borrow money to start their own businesses, to try to take advantage of some skill they have. And we have seen this system work even in the poorest places in Africa and Latin America, where opportunity takes off.

So we have tried to make it easy in America for people to start a business, to expand a business, and to do business. And then we have also tried very, very hard to get new opportunities into areas where there were none before. And all these things together—but especially, I give most of the credit to the people of my country. After all, a person in my position, we're supposed to have correct policies so that we create a framework within which the American people then create the future. And I think that is basically what has happened.

Now, you asked me an interesting question. Actually, I have been demonstrated against quite a lot in the United States. I told President Jiang when he was there, I was glad they demonstrated against him, so I didn't feel so lonely. [*Laughter*]

I'll give you a serious answer. If there were a lot of people demonstrating against me outside, suppose they were demonstrating over the question that the first gentleman asked

me. Suppose they said, ''Oh, President Clinton is trying to interfere with the peaceful reunification of China and Taiwan, and he shouldn't be selling them any weapons whatever.'' Well, I would try to find out what they were demonstrating against, and then I would ask my host if they minded if I would go over and talk to them, or if they would mind if one or two people from the group of demonstrators could be brought to see me, and they could say what is on their minds, and I could answer.

Remember what I said before about what Benjamin Franklin said, ''Our critics are our friends, for they show us our faults.'' You have asked me some very good questions today that have an element of criticism in them. They have been very helpful to me. They have helped me to understand how what I say is perceived by others, not just in China but around the world. They have helped me to focus on what I can do to be a more effective President for my people and for the things we believe in.

And so I feel very good that we have had this interchange. And from my point of view, the questions were far more important than my speech. I never learn anything when I'm talking; I only learn things when I'm listening.

Thank you very much. Thank you.

NOTE: The President spoke at 10:25 a.m. in the Bangong Lou auditorium. In his remarks, he referred to Chen Jiaer, president, Ren Yansheng, university council chairman, and Chi Huisheng, vice president, Beijing University; President Jiang Zemin and Premier Zhu Rongji of China. A tape was not available for verification of the content of these remarks.

Remarks at the Beijing University Library in Beijing

June 29, 1998

Thank you very much. Well, first, let me thank all of you for coming out to see us on such a nice, warm day. [*Laughter*] I thank President Chen, Vice President Ren, Professor Chi, Senator Akaka and the Members of Congress who are here, and all the members of the university community, who have made my wife and our daughter and our whole delegation feel so very welcome today. Thank you very much.

Now, when Senator Akaka said that some people thought of ''Beida'' as the Harvard of China—[*laughter*]—all of us Americans who did not go to Harvard were thinking, perhaps, Harvard was the ''Beida'' of the United States.

You know, political leaders of my generation talk a lot about the future and the 21st century, but it is you, the students who are here, who will live in it and who must build it. A child born today will not even remember the 20th century. Indeed, a child born today may think of people like me as relics of an ancient dynasty. [*Laughter*] Americans—including that one—[*laughter*]—want to work with China to help build this future, a future of security and prosperity, a future in which we clean up the world's environment instead of destroy it, a future in which we advance education and dignity and freedom for all people.

As a small token of our respect and in honor of your centennial, we are donating over 500 reference books to the library of ''Beida''. [*Applause*] Thank you. *Xie xie.* [*Laughter*] Through the U.S. Information Agency, we have selected some of the best volumes in our history and literature, along with encyclopedias and dictionaries on every subject related to the United States. And my wife and I have added personally two books which we wrote: her book, ''It Takes A Village,'' and mine, ''Between Hope and History.'' And I'd like to present them to the President at this moment.

Now, if you're trying to decide which one to read first, I should tell you that in America her book sold a lot more copies than mine did. [*Laughter*]

We are proud of our historic relationship with this university. I hope these books will help to further our friendship for another generation. I hope, too, that more and more Americans will come to China to study and more and more young Chinese will go to America to study.

Every day I must be preoccupied with the world's problems, but I believe a lot of the world's problems would be quickly solved if the world's young people were permitted to live together and learn together and serve

together. You can set the standard, and I hope you will.

Next week our young country will celebrate its 222d birthday. It is a time of year when we Americans stop to reflect on the many blessings we enjoy, on the ideals of our Founders to provide life, liberty, and the opportunity to pursue happiness to all people. It is a time when we measure our progress and try to honestly assess our continuing problems, when we take pride in our history but also resolve to keep working on it. For history is not just something to be studied at university. History is always unfolding. Here it is unfolding. And I believe a large part of the next chapter in America's history will be its partnership with the new China.

China, too, is always rebuilding itself. Of course, your foundations are deeper than ours; our entire history could fit into one of your longer dynasties. [*Laughter*] But from different starting points we are working toward a common destiny of peace and prosperity and, I hope, of lifting the level of freedom and dignity not only for all our own people but for others throughout the world.

China is a very old country, but thanks to you, to your idealism, to your spirit, and to your future, it will remain forever young.

Thank you very much.

NOTE: The President spoke at 12:19 p.m. on the Library Lawn. In his remarks, he referred to Chen Jiaer, president, Ren Yansheng, university council chairman, and Chi Huisheng, vice president, Beijing University. A tape was not available for verification of the content of these remarks.

Executive Order 13091—Administration of Arms Export Controls and Foreign Assistance

June 29, 1998

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 301 of title 3, United States Code, and in order to delegate certain authority to the Secretary of State and the Secretary of Defense, it is hereby ordered as follows:

Section 1. Section 1 of Executive Order 11958, as amended, is further amended as follows:

(a) in subsection (k), by inserting after ''State.'' ''Those under Section 36(e) of the Act, as added by Public Law 104–164 with respect to transmittals pursuant to Section 36(b) to the Secretary of Defense, and with respect to transmittals pursuant to Section 36(c), to the Secretary of State.'', and

(b) by redesignating subsections (n) through (s) as subsections (o) through (t), respectively, and inserting the following after subsection (m):

''(n) Those under Section 40A of the Act, as added by Public Law 104–164, to the Secretary of State insofar as they relate to commercial exports licensed under the Act, and to the Secretary of Defense insofar as they relate to defense articles and defense services sold, leased, or transferred under the Foreign Military Sales Program.''

Sec. 2. Section 1–201 of Executive Order 12163, as amended, is further amended as follows:

(a) in subsection (a)(13),

(1) by inserting the following before ''and sections'': '', section 620G as added by Public Law 104–164''; and

(2) by inserting the following after ''law'': '', except that the functions under section 620G as added by Public Law 104–164 shall be exercised in consultation with the Secretary of Defense'';

(b) in subsection (a)(23), by deleting '', except'' and all that follows through ''thereof'';

(c) by redesignating subsections (a)(18) through (36) as (a)(19) through (37), respectively; and

(d) by inserting the following new subsection after subsection (a)(17):

''(18) section 655 of the Act, insofar as they relate to defense articles and defense services licensed for export under section 38 of the Arms Export Control Act:''.

Sec. 3. Section 1–301 of Executive Order 12163, as amended, is further amended by:

(a) redesignating subsections (e) through (g) as subsections (f) through (h), respectively; and

(b) inserting the following new subsection (e):

''(e) the functions under section 655 of the Act insofar as they relate to defense articles, defense services, and international military

education and training furnished by grant or sale by the Secretary of Defense, except to the extent otherwise delegated.''

Sec. 4. Section 1–501 of Executive Order 12163, as amended, is further amended:

(a) in subsection (a)(2) by striking ''and''; and

(b) in subsection (a)(3) after ''1754)'' by inserting the following:

''; and (4) section 655(c) of the Act''.

William J. Clinton

The White House,
June 29, 1998.

[Filed with the Office of the Federal Register, 8:45 a.m., July 1, 1998]

NOTE: This Executive order was released by the Office of the Press Secretary on June 30, and it was published in the *Federal Register* on July 2.

Remarks in a Roundtable Discussion on Shaping China for the 21st Century in Shanghai, China

June 30, 1998

The President. Let me begin by thanking all of you for agreeing to participate in this roundtable discussion. I want to say that the purpose of this discussion is to help me and my wife and the American people, through us, understand the changes that are going on in modern China, the challenges that are out there, and what all of you are doing in your various lives to deal with these changes.

For us, this is a very exciting opportunity to come here, to see what is going on, and also to try to come to grips with the areas where China and the United States can cooperate, the areas where we still have differences, and how we might not only manage those differences but even work together there to try to come to some common agreement.

Everyone understands that there is a new China emerging in the world that is more prosperous, more open, and more dynamic. I have been to a small village near Xi'an where people now elect their local officials. I have already had the opportunity to meet with some small-business people and others who are agents of change in the modern China. But this is really the first opportunity I have had to meet with such a diverse group of Chinese citizens who are active in so many different areas.

So I hope that you will help us to understand what is going on and to speak with us frankly and openly, and understand that what we want is to build the right sort of partnership and friendship with the Chinese people over the long run into the 21st century.

If I could begin, I think I would like to ask Professor Zhu, how has China changed in the last couple of years and what is the role of the legal profession in this change?

[*Ms. Zhu Lanye, vice dean of the International Department, East China University of Politics and Law, stated that in the school she graduated from the student population had doubled to 4,000 students, with over 400 graduate students, and the number of law schools in China increased from 2 to 14, reflecting China's need for more lawyers, due to a major increase in civil cases.*]

The President. Mr. Wang has been a consumer advocate, and we have read about you in the American press. I wonder if you could follow up on what Professor Zhu said in terms of the work you do. Do you believe that the quality of products, consumer products is getting better?—first question. And tell us what the relationship is between what you do and the legal profession. Can people have adequate access to legal remedies if they are sold inferior products?

[*Mr. Wang Hai, consumer advocate, author, and newspaper columnist, stated that China promulgated consumer protection laws in 1984 and that prior to that, China placed emphasis on the collective interest as opposed to consumer interests. Mr. Wang described his company which consults with consumers and companies whose rights have been violated. He indicated that he had been viewed as immoral and asked the President if consumer advocates in the United States were also viewed this way.*]

The President. No. Interestingly enough, many of our governments in what you would

call the province level, our State governments and some of our larger city governments, actually have their own consumer advocates, people who are employees of the government whose job it is to work to find out things that are being done, in effect, that work a fraud, that are unfair or illegal to consumers when they buy homes, when they buy cars, when they buy other products. So, in our country, people who find those kinds of problems very often are themselves employees of the government and generally are quite highly regarded.

Now, of course, if they find a very big company doing something that's going to be very expensive to fix, they're sometimes criticized by the company. But by and large, consumer advocates enjoy a very favorable position in American society. It has not always been so, but I would say that for the last 20 to 25 years, they do.

I would like to ask our novelist, Ms. Wang, to talk a little bit about how the atmosphere for writers, for artists, movie makers, other creative people has changed in China in the last few years. How would you describe those changes?

[*Novelist Wang Xiaoying stated that great changes have taken place in China in her area of interest. She indicated that she has signed contracts with three publishing houses and stated that her problem was not whether she could publish but whether she could produce enough good novels. Ms. Wang then asked the President if literature has an impact on his life.*]

The President. Oh, yes, very much, and I think not only for enjoyment but also for enlightenment. We have many books of literature, all kinds of prose and poetry published in America every year and heavily taught in our schools and, at least in our case, widely discussed in our home with our daughter. She is now reading books in the university that, if we haven't read them she wants to know why, and she expects us to try to understand those things.

So I would say that for millions and millions of Americans, literature is a very important force in their lives. And every week in our newspapers, there is a publication of the best-selling books and the books that are in hardcover, the books that are in paperback. So it's quite a large part of American life, I think.

I would like to ask Madame Xie if you could tell us a little bit about, from your perspective, how China has been changing, and in particular, whether there is any difference in university life and the emphasis that the young people are placing on different areas of study.

[*Ms. Xie Xide, former president of Fudan University, stated that the Chinese policy of reform had brought great benefits. She indicated that Fudan University now sends 1,400 teachers to study abroad or to serve as visiting scholars and that 80 percent come back and play important roles at the university. She also said that increasingly the best students went into law, business administration, or economics.*]

The President. If I could just follow up on that and perhaps anyone, professors, who would like to comment on this—when I was talking with President Jiang he said, "I am trained as an engineer, and Premier Zhu Rongji is trained as an engineer." They were both mayor of Shanghai. The present mayor of Shanghai, we were walking down and he said, "I am an engineer." And he said, "We were all trained in an era when we had to build China. We had to build things. We had to know how to do things that people did with their hands. And now that we have a more complex society, and people's rights have to be protected, for example, in what they buy, and we have to work out the complex relationships between people in a market economy, we need more lawyers." I think China only has like 115,000 lawyers, something like that. And, so, I wonder if maybe the changes are not a necessary evolution of the change in society.

Participant. Well, there are a lot of students who are very interested in law subjects. Well, in China we do not have sufficient lawyers, and in your country you have plenty. And so many American friends told me that "we can export some of them to you." [*Laughter*]

The President. I tell President Jiang we have too many lawyers and too few engineers. So maybe instead of changing all the

courses in the universities, we should just trade each other. We'll give you lawyers, you could give us engineers. [*Laughter*]

Participant. But it's true that there are many students who want to enter the law college or university every year. On average, there will be one student to apply for law subjects that can be actually accepted as a university student. And about only one-fourth or a quarter of those students can be qualified to be a college student. So that means that the law subjects really are a hot topic today in Shanghai.

[*Hillary Clinton then introduced Wu Qidi, president of Tongi University, who stated that the current focus in higher education was economic development but that her university was moving to more diverse academic pursuits, gearing the students toward participating in the global economy. She stated that as more Chinese teachers work and study abroad, they become more aware of the need for change in the university educational system. She indicated that China needed science and technology to support sustainable economic development and asked if there would be greater openness in the future between the two countries that would go beyond exchanges of faculties and students.*]

The President. Yes, I do, and I believe it is very important. We are trying to do two things in the United States. One is to make sure more of our young people, wherever they live, even if they live in very poor communities, are exposed at an early age to science and technology. We are trying to connect all of our schools to the Internet by the year 2000, because our goal is to take the very remote schools, the schools in the poorest urban neighborhood, and make sure they can have a connection and access to information that anybody anywhere in the world has. I think that is important.

Then we also want to have more cooperation internationally. Perhaps the most successful part of the U.S-China partnership in the last few years has been our cooperation in science and technology, although because there has been no great conflict, it's very often not in the news. But Chinese and American scientists, for example, discovered that children born with spina bifida, which is a very painful childhood birth problem, largely come from mothers that didn't have enough folic acid. So it changed the whole way the world viewed this terrible problem. Chinese and American scientists have learned more about how to predict earthquakes and other natural disasters. So I think we have to do more of that.

And then the third area is the one you mentioned of technology transfer. We are now implementing our peaceful uses of nuclear energy agreement. I personally believe that in the energy area it's the most important thing.

I asked President Jiang if we could have a major focus of our science and technology partnership in the future be on the relationship of energy use to the environment, because America is the largest emitter of greenhouse gases, warming the climate. China will soon be larger than America. So we have this huge challenge: How to allow China to continue to grow, how can Shanghai build more beautiful buildings like this and have people have good places to live and all of that, and still not destroy the environment of the world.

The scientists know that this can be done. Most political leaders and business leaders don't believe it. Most political and business leaders think this is a problem my grandchildren will deal with: "I have to create wealth now, I have to create opportunity." Scientists know we can grow the economy and improve the environment. So I think this will be the biggest challenge for us.

Now, in terms of the technology transfer, one last thing. We are working very hard to deal with the so-called national security implications of technology transfer. Sometimes they are quite real. So we are working through that. But I think in the energy and environment area we will have no problems. And there will be more of this.

I think I would like to, if I might, just go on to Professor Zuo, because I know you've done a lot of work on migrant research. And one of the most interesting things to us here is how China is managing the growth of its large cities. And in America we have a similar phenomenon, mostly because of immigration coming from beyond our borders. But we still allow about a million people a year, just

under a million people a year, to come legally to the United States from other countries. And most of them come to large cities. And so some of our cities are growing, as Shanghai is growing. And perhaps you could tell us about the challenges that that presents and what you are doing in your research.

[*Zuo Xuejin, vice president of the Shanghai Academy of Social Sciences, stated that since the mid-eighties, the population flow within China had been tremendous, with people from rural areas seeking greater opportunities in urban areas. While this migration had caused concern to urban Chinese because they feared limited job opportunities for themselves, the migration had been controlled and services increased for migrants. He then discussed his experiences in the United States and the influence of American culture in China, giving specific examples which ranged from fast-food restaurants to jeans and movies, and concluded that there was much to be shared by China and the United States.*]

The President. If I could just make two brief points. First of all, as to the last point you made about films and travel, even though we have more and more access to each other, to our information and to our ideas over the Internet—and some day I suppose people will—every time someone like Ms. Wang writes a new book, someone will be in a matter of days able to pull it up on the Internet and read it all over the world in their own language. I still think that it's actually important to have these people-to-people exchanges and to have more American students, for example, coming to China and more Chinese going to America. I think that's very important.

I feel the same way about the movies. I actually have seen some Chinese movies I thought were extraordinarily powerful movies. And I think we should have more of that and we should be—we should encourage our artists to come here. And of course, there's so many Chinese-American artists that would give anything to perform in China and would feel very honored about that. So I hope that we will be open and that the governments will encourage more of that.

The only other point I wanted to make is just—about your research and how you deal with these millions of people that are coming here to find work. This is a global issue. There are many cities that have nowhere near the opportunities that Shanghai does in other parts of the world, that are still growing by leaps and bounds all the time, because even though there are huge numbers of poor people in these cities, there is still a chance that the city life will be better than it is in the rural areas in other countries.

So if you look at the whole world—if you look at Africa, if you look at the Middle East and Central Asia, if you look at all these places, you have cities growing by leaps and bounds in countries that have been poor. And as I said, in our country, it's a place where we try to manage all the new immigrant populations, and we have all the same challenges you do, plus, often, language differences. So I would just say that this is an area where, again, we may be able to cooperate and where we need to help, even beyond our borders, deal with these vast migration flows. They will be one of the central, defining trends, in my view, of the next 30 to 40 years. And so I thank you for that.

Yes, Professor.

[*A participant noted that the President would be young when he left the presidency and asked if the President planned to continue his law practice and, if so, would he remain in Washington or move back to Arkansas.*]

The President. I was hoping you would offer me a position here. [*Laughter*]

Participant. No, you don't speak Chinese. [*Laughter*]

The President. I'm not too old to learn. [*Laughter*] Actually, I am the third youngest President ever, and I think the second youngest to be elected. President Theodore Roosevelt and President John Kennedy were both a little younger than me when they took office. So I'll be about 54 when I leave office, and I don't intend to retire. But I haven't decided what to do yet or where to do it—except I will always have a home in my home State, in Arkansas, and I intend to build a library there to house my Presidential papers and to tell the story of the time in which I served as President. But beyond that I have

not made any final plans. So maybe I will apply for a visiting professorship. [*Laughter*]

Participant. We welcome you to our university as a visiting professor. You are more than welcome. [*Laughter*]

Mrs. Clinton. I know that we want to hear from all the panelists, and I'd like to hear from the young man, Mr. Zeng, who has been so successful in the——

The President. He's not here, is he?

Mrs. Clinton. He's not here? There he is, back there.

The President. You may talk if you like.

Mrs. Clinton. Yes, about the Internet, because you were talking about the Internet and the explosion of the Internet. And what I'm interested in is, are there any restrictions on access to the Internet in China?

The President. Please come up here and use Ms. Wang's microphone.

Mr. Edward Zeng. Right now it's just purely in the application form, you can get it right away.

Mrs. Clinton. Right away. So there's no restrictions, universally available to anyone who has the funds to have access to it.

Mr. Zeng. Yes, and also the growing rate is very fast. We are talking about more than 1 million right now.

Mrs. Clinton. More than 1 million——

Mr. Zeng. Internet users.

Mrs. Clinton. Internet users. In the entire country?

Mr. Zeng. Yes.

Mrs. Clinton. And so what is the rate of increase, do you think, in terms of projection?

Mr. Zeng. By the year 2000, maybe around 5 million. So we're talking about 30 percent growth rate.

[*Mrs. Clinton asked how the information explosion was affecting the vast majority of the people of China. Mr. Edward Zeng, chief executive officer of Unicom-Sparkice Information Network, answered that there were ongoing efforts to provide a virtual office for small and medium-sized business and that he operated a cyber cafe that was experiencing a 30 percent monthly growth rate.*]

The President. Let me ask you one question about your Internet figures. This library has an Internet room upstairs. I just visited it. Is it really possible to know how many Internet users there are? I mean, how do you know.

[*Mr. Zeng indicated that each user had to submit an application and that each had an IP address which would allow an accurate count of users. He then asked if there was an opportunity for exchange between Chinese and American small and medium businesses.*]

Mrs. Clinton. That's something that we'll look into and see if we can get you some information about that.

The President. There is probably more growth among new companies this area than any other area in the American economy. It's exploding. So it may be that someone is following this conversation right now, and you'll get a call within 30 minutes, for all I know. [*Laughter*] But we will see what we can do.

[*Mrs. Clinton asked Bishop Jin Luxian of the Shanghai Catholic diocese how he would describe the recent changes in China. Bishop Jin responded that he was responsible for 78 churches with 160,000 followers and that he had priests from all over the world. He stated that some of the initiatives underway were training abroad for students, a large religious publishing house, translations of Christian texts, and computer training for students. He stated that there were no restrictions on religious beliefs in China, and that he had sought a dialog with the Chinese Government rather than a contentious relationship.*]

The President. Thank you, sir.

I would like to ask Mr. Wu now to talk a little bit. I know that you're a professor of American studies and perhaps you have some observations about how the relations between our two countries have changed in the last few years and what advice you could give us going forward here.

[*Wu Xinbo, a professor at the Center for American Studies of Fudan University, stated that many Chinese were worried about the United States trying to contain a growing China and cited the areas of disagreement between the two countries, including Taiwan, but said there had been a major shift in the U.S. China policy since 1996. He indicated that he believed that economic cooperation*

would grow in the future and cited President Clinton's open exchange on human rights with President Jiang at the recent news conference as a sign of a maturing relationship.]

The President. Well, first let me thank you for what you said. I do believe that my coming here and the work we've done in the last 2 years, President Jiang's trip to the United States, has helped to resolve some of the misunderstandings. I had a chance to reiterate our Taiwan policy, which is that we don't support independence for Taiwan, or two Chinas, or one Taiwan-one China. And we don't believe that Taiwan should be a member in any organization for which statehood is a requirement. So I think we have consistent policy.

Our only policy has been that we think it has to be done peacefully. That is what our law says, and we have encouraged the cross-strait dialog. And I think eventually it will bear fruit if everyone is patient and works hard.

I also agree that the human rights dialog I had with President Jiang was a good thing. I hope it will lead to more open discussion here. And I would be encouraged if that happened.

Let me, if I could, I'd like to ask you a more personal question. I read in your—I got a little biography of all of you before I came here, and I would like to ask—I noticed that you were born in a small rural community, like me. All my mother's people came from a community, actually, that never had more than 150 people, although I was born in the largest city in my little area, which had at the time 6,000 people.

One of the struggles we work at all the time in the States is trying to make sure that our children, no matter where they're born—if they're born in some remote rural area or some very poor area in the inner-city—that they still have a chance, if they have ability, as you obviously did, to live the future of their imaginations and their dreams.

Do you believe that you have a system now in China which would give every boy and girl growing up in a small rural village like you the chance that you had to become what you have become?

[*Mr. Wu stated that his experience was very typical, noting that despite his poor circumstances he was able to get an education and that the Government had made a great effort to popularize 9 years of compulsory education.*]

The President. Dr. Wu and Madame Xie and anyone else, what percentage of the students in your university come from poorer families where the parents of the students had no education to speak of?

[*A participant said that about 15 percent of the students have poor family backgrounds, noting that many foundations' mission was to help poor children return to school. The participant stated that while many students in remote areas found it difficult to participate in national exams, they receive equal treatment when they reach the university. The participant closed saying that while girls in the past had not received much family support, they were currently half of the university population. Another participant added that girls pursued law degrees more than math and science degrees and that they were under-represented at the graduate student levels. The participant noted that the major problem continued to be financing for education and the local governments which were responsible for education often opted instead for investment in areas which would show economic returns to the community.*]

The President. I think what will happen in China—I believe this will happen because of the technological revolution—I think in your economic growth you will almost leap over a whole generation of economic experiences that older European countries and perhaps the United States experienced, where you will essentially be creating an industrialized and a post-industrial society at the same time. And therefore, more quickly, you will have to educate more people at higher levels than we did.

Because what happened in the 20th century in America is first everyone had about—you know, first education was the province of the elite. And then everyone got about 4 years of education and then 6. And then we went finally to high school education. And then when I became President, about half

of our young people are going on to university. Now people are actually coming back to university in huge numbers. The average age of our university student is going higher, because we have more people not only coming right out of our high schools but also coming back from society, because everyone recognizes now that we have to universalize very high levels of education because of the way the society works.

So I think that this will happen in China more quickly just because of this moment in history, and I think it will be a very good thing.

I wanted to—I know we're about to run out of time, but I wanted to ask a couple of more questions. Go ahead, Professor Xie, do you want to make a point? Because my question is unrelated to this, so go ahead.

Participant. [*Inaudible*]—continue this discussion, but we know you have a very busy schedule. And we're very glad to be here to discuss our life here with you and we thank you for listening.

The President. Thank you. I want to ask two quick questions, one of Ms. Wang.

[*A participant asked Mrs. Clinton as First Lady what impact the media attention had on her personal life. Mrs. Clinton said that people read meaning into everything she did as First Lady even when no meaning was intended. She related the situation to a larger set of expectations and stereotypes that all women face in life, regardless of geography or culture, which are imposed by society.*]

Participant. Thank you very much.

The President. Go ahead, Mr. Wang.

[*Mr. Wang stated that in China there were potential conflicts of interest within the consumer protection process in that store managers could also hold positions in consumer rights groups and when a complaint is directed at his store, he could use his position in the group to bury the complaint. He asked if similar situations happened in the United States.*]

The President. Well, in the United States a consumer in the position that you just mentioned—let's say someone bought something in a department store and it was defective; I would say there might be four things that could happen. And I don't want to complicate the answer, but I have to give you a complete answer.

First of all, in America we have pretty clear laws on this, and so the best companies would just take the merchandise back and give the person his money back or give the person a new product, because they wouldn't want to get a reputation of being unfair to consumers or a reputation of selling bad products. So the first thing the person would do is to take it back, because of the laws.

Now, secondly, the person might go to the consumer advocate in the government. That's the one I talked to you about. Suppose this happened in New York City. Well, New York City has a Consumer Affairs Bureau. Now, maybe sometimes it's more active for the consumers than others, depending on whether the mayor believes in this cause or not. So if there's no opportunity there, then the person would have either an independent consumer group—there are some—or you could go into court and pursue your remedy there.

So I don't think there's a problem of having the consumer groups themselves too tied to the manufacturers. And if there's a pattern or practice of selling bad products, then it's almost certain that there would be a remedy found in our courts.

[*Mr. Wang stated that in China, even when a case went to court and an award was made, getting the court decision enforced was difficult. He asked how these things were handled in the United States.*]

Mrs. Clinton. It is. And sometimes even after people get a judgment, they have to continue to work very hard through the legal system to enforce their judgment. So it's a continuing problem.

The President. You mentioned—you said, well, sometimes if there's a good store with a good brand name, that you won't have these problems, but if people are selling off-brands or off the street, or whatever, they might. You have real problems in America sometimes in enforcing these orders if it's difficult to find the company that sold the product or difficult to find their bank account.

[*Mrs. Clinton stated that one reason the President wanted this roundtable discussion was that many Americans were quite interested in what is happening in China but don't know about the changes in China and didn't know how to evaluate what was happening here or how we should define our relationship. She asked the participants if there were any additional points they would like to make to help the American people understand. A participant stated that her 5-year-old's childhood would be much better than hers, and as her child moved through life, the changes in China would have an impact throughout. She indicated changes in China would take time to evolve. China could not build overnight what the United States had developed in 200 years. She indicated that the United States should be more understanding of the evolution of human rights and democracy in China and stressed that understanding could be enhanced by publication of Chinese literature in the United States. Bishop Jin briefly discussed the education issues among the poor and stated that the Shanghai Catholic diocese had set up Project Hope primary schools in the provinces in China.*]

The President. Thank you very much. If I could close, I would just like to make a couple of points. First of all, thank you all very much for being here, for me and for Hillary and I think for the Members of Congress and the Secretary of State and the members of our delegation this has been an enriching experience,and I have a much, I think, better feel for what is going on in modern China.

Secondly, if I might just close with a few words about our perspective on this whole issue of the relationship between social progress and individual rights or human rights.

I think there are basically three different categories of issues here, and I'd leave these thoughts with you. When it comes to just creating more opportunity for people to have a better life and refraining from oppressing people in horrible ways, I think it's obvious that China since the end of the Cultural Revolution has made enormous progress, almost unprecedented for any society in human history.

And then there's the second category of problems, which is just the basic legal problems or personal problems that people find in a complex society, whether it's consumer protection problems or—Hillary, yesterday, was talking to some people who were involved in legal work in Beijing, and there was a woman who got a divorce from a husband who had been abusing her. But their apartment house came to him because of his work, so where does she live now with their child? Those kinds of problems.

I agree with what Madame Xie said. We have to—these rule-of-law issues, we need to just keep working through these and work together on them.

But in the third area, I think there is still some considerable difference, and that is to what extent does a different political opinion or a different religious conviction enrich a society and make it stronger, and to what extent does it promote instability and weaken the enormous work that has to be done?

And I think that we just have to kind of be honest here. China has had many challenges. It's a much bigger country than the United States. It's coming very far very fast. And I think there is a tendency among the Chinese, in Government and perhaps in the society, to see these kinds of political or religious dissents as—at least to be very supersensitive to the prospect of instability because China has suffered in the past from instability.

In the United States, because of our history, there is always a tendency to believe that anybody's political opinion and religious expression deserves great protection and great respect and, no matter how different it is from ours, that allowing the widest possible room for expression of political and religious feelings makes a country stronger, a society stronger over the long run. That has been our experience.

So I think we have to understand our two perspectives and honestly confront these things as they present difficulties in our relationship and look at them as opportunities to try to build a common future, because I do think that, as I said in Beijing in the press conference I had with President Jiang and at the university, the forces of history are driving us toward a common future. We have

to build a common future. And so it's important that we be able to discuss these things in an open way.

I think all of you did a terrific job today expressing your point of view and also giving my fellow Americans and I a window on modern China. And we thank you very much.

Mrs. Clinton. Thank you.

The President. Thank you.

NOTE: The President spoke at 9:41 a.m. at the Shanghai Library. In his remarks, he referred to President Jiang Zemin of China; and Mayor Xu Kuangdi of Shanghai. The Chinese participants spoke in Chinese, and their remarks were translated by interpreters, except for Edward Zeng, who spoke in English.

Remarks in a Call-In Show on Shanghai Radio 990

June 30, 1998

President Clinton. First of all, I want to thank the mayor for welcoming me to Shanghai, and say I very much enjoyed my first morning here. We did go to the library, my wife and I did, and we met with a number of citizens from in and around Shanghai who are involved in one way or another in China's remarkable transformation. And they helped us a lot to understand what is going on in China.

I also want to say a word of appreciation to President Jiang for the very good meeting we had in Beijing and for making it possible for me to reach out to the people of China through televising our press conference together. And then, of course, I went to Beijing University yesterday, ''Beida,'' and spoke with the students there and answered questions. And that was also televised.

And then to be here in Shanghai, one of the very most exciting places in the entire world, to have the chance to begin my visit here with this radio program is very exciting. So I don't want to take any more time. I just want to hear from the questioners and to have a conversation, so that when it's over, perhaps both the American people and the people of China will understand each other better.

Program Host Zuo Anlong. Mr. President, you already can see our TV screen—right in front of you there are so many people waiting in line to talk to you. We're really happy about this. How about we just start right here, okay?

President Clinton. Let's do it.

Asian Financial Crisis

[*The first caller asked about the Asian financial crisis and increasing cooperation between China and the United States.*]

President Clinton. First of all, Mr. Fong, that is a very good question, and it has occupied a major amount of my time since last year, when we saw the difficulties developing in Indonesia, in the Philippines, in Thailand, in Korea, and of course, in Japan.

I would like to begin by saying I believe that China has done a very good job in holding its currency stable, in trying to be a force of stability during the Southeast Asian crisis. Secondly, we are working together, the U.S. and China, and we are working through the IMF to try to help all these countries stabilize their economies and then restore growth.

But I think the last point I'd like to make is that we cannot see growth restored in Asia unless it is restored in Japan. Now, in Japan the people are about to have an election for the upper house of the Diet, so this is not an easy time for them. But the Government is going to disclose in the next couple of days what it intends to do in the area of financial reform.

If it is a good proposal and the confidence of the investors of the world is raised, then I believe you will see the situation begin to turn around, and the pressure will be eased in China, and we can see some economic growth come back to Japan and these other countries. It is very important to the United States and very important to China. We're working hard on it.

[*Mr. Zuo noted that China has been working hard not to devalue its currency, and he asked Mayor Xu Kuangdi of Shanghai about trade between the U.S. and Shanghai. Mayor Xu noted that trade with the U.S. was up 30 percent in the first 5 months of this year, with imports and exports fairly balanced because Shanghai imports a lot of U.S. high-tech products, and he expressed his hopes that this would continue. The next caller, an*

employee of the Shanghai Library which the President had toured, asked about increasing exchanges between American libraries and the Shanghai Library.]

China-U.S. Library Cooperation

President Clinton. Well, first of all, I think that we need to make sure that all of our major libraries are connected through the Internet, so that we can ship information back and forth over the Internet that is not available in the libraries themselves. For example, if you have total Internet connection with the New York Public Library, which is our largest public library, then there would be things that you have they don't have, but you could send them over the Internet. There would be things that they have that you don't have that could be shared.

So what I will do, since you have asked this question, is, when I get home, I will ask the people who are in charge of our major libraries, the Library of Congress, which is the biggest library in Washington, DC—it's our national library—and the New York Public Library, and perhaps one or two others, to get in touch with the Shanghai Library and see whether we can establish a deeper partnership.

I was very impressed that the Shanghai Library has 300,000 members who actually pay the annual membership fee, 10 yuan. And I think that—we have many people using our libraries, too. I would also like to figure out, if I might, how these big libraries in America and China can better serve the small libraries in the rural areas, where people are so hungry for information and they don't have as much as we do, those of us who live in the bigger areas. So I will work on this.

[*Mr. Zuo agreed on the importance of library outreach to rural areas.*]

President Clinton. But as you know, you now have the computers with the Internet hookups, and if you have printers there, then people all over China can order articles out of the Shanghai Library and just print them out on the computer. So that all you have to have now is a hookup with a printer in the small libraries, in the smallest villages, and anything in the Shanghai Library can be sent to them. Of course, it's more expensive if it's a book. But if it's just an article, it's easy to print out, takes just a couple of minutes.

[*Mayor Xu discussed the challenge of getting computer technology out to the countryside, noting that a lot of people there still don't have electricity. He also pointed out that Shanghai Library memberships funded only 5 percent of the library budget and that the government must make up a lot of the rest, but that he was willing because investment in education is important. Another caller then noted that both the President and Mayor Xu had a history of involvement with education issues and asked each of them to discuss the future of China-U.S. educational exchanges.*]

Educational Opportunity

President Clinton. Well, first of all, let me say that we are working very hard in America to make sure that more of our own people go on to university and also acquire the skills necessary to operate in the computer age. So, I have worked very hard to open the doors of universities to more people, to make sure that the cost of the education is not a bar to people going.

Now, in addition to that, we want to promote more exchanges of students. I want more American students to go to other places in the world, including China, to study, to learn the language, to learn the culture, to understand the nation. And I very much want to bring even more students from around the world to the United States to study. So perhaps there's something we can do coming out of this trip, the mayor and I, to have more exchanges with people from the Shanghai area, because I believe it's very important. And I think it will only grow more important as we move into this new century.

[*Mayor Xu agreed, noting that education in Shanghai is more universal than elsewhere in China. He said 60 percent of high school graduates in Shanghai get into colleges, and he wants to utilize radio, television, and adult education to make up the 40 percent gap. The mayor then discussed approaches to education, noting that the Chinese stress more discipline, which is good for order but can discourage open interaction, whereas American classrooms allow for more freedom,*

which in the opinion of Chinese educators creates chaos. The mayor said both approaches have value, and the two countries should learn from each other.]

President Clinton. Well, actually, here's a case where I think we would greatly benefit from working together, because there is no perfect system. If you just start with the issue of discipline, we know that without a certain amount of discipline and order in the classroom, it's impossible for learning to occur. We also know if there is too much order, where everything is structured, the child may close up and not be open to information and to learning. So we have tried all kinds of things.

In our country, for example, now many of our schools are going back to an older practice of requiring the students to wear uniforms every day, as is the case in many other countries, on the theory that it makes people more disciplined. It also gives a spirit of equality. This is sweeping our country, really, and doing very well. On the other hand, we want enough freedom in the classroom so that the children have the confidence they need to participate in the class discussion.

Now, on the second matter, which I think is very important, does education emphasize drilling information into the head of the student, or should it emphasize sort of creative or critical thinking? I think the answer is, clearly, both. How can you be a creative thinker if you don't know something in the first place? First, you must know what you need to know. You must have the information.

On the other hand, if you look at how fast things are changing—in this information age, the volume of facts in the world is doubling every 5 years. That's a stunning thing. The volume of information is doubling every 5 years. Therefore, it's very important not only what you know today but what you are capable of learning and whether you can apply what you know to solving new problems.

So I think what we need is a careful balance between making sure our students have the bedrock information without which you can't make those decisions, but also learn to be creative in the way you think to deal with the exploding information of the world.

[*Mayor Xu agreed on the need for a new consensus on concepts of education. He cited an example of Chinese parents, accustomed to the methods of Chinese education, who were dissatisfied with visiting American high school teachers because the teachers did not give enough tests.*]

President Clinton. But, to be fair, we need more exchanges, too, because what sometimes happens in America is, if you don't have pretty high standards for measuring whether everybody knows what they should know, then the very best students may do better under our system and they go on and win the Nobel Prizes or they create the new companies, but we leave too many behind because we don't make sure they know.

So I think there's something we have to learn from each other, and we really should work on this. Because every advanced society—the Japanese could join with us in this; the Russians could join with us in this. We all have the same interests here in finding the right balance in our educational systems.

[*Mr. Zuo asked if investment in education could be justified despite the long payback period.*]

President Clinton. Well, it is a long payback period but it has the highest payback of any investment. If you invest in a child's education—maybe they're 5 years old when they start, and maybe they're in their early twenties when they get out of university—that's a long time. And you have to hire all these teachers along the way and pay for all the laboratory facilities and all that. But there's nothing more important. And then the young person gets out into a world in which ideas create wealth and gives back to society many times over.

So people shouldn't look at it just as one person investing in another. It ought to be China investing in its future, the United States investing in its future, together investing in a peaceful, stable, prosperous world.

Education, ideas, information—they give us the capacity to lift people out of poverty and to lift people out of the ignorance that make them fight and kill each other and to give us an understanding about how to solve the environmental problems of the world, which are great. This is worth investing in.

It's more important than everything else. Yes, it takes a long time to pay out in the life of one child, but the payouts for a country are almost immediate.

[*Mr. Zuo agreed and suggested that in China-U.S. relations there must be investment for the future. Another caller then asked the President which sports he liked to play when he was in college, how he maintains his energy at work, and which soccer team he thought would win the World Cup.*]

Mr. Zuo. Oh yes, so many questions. You threw a lot of questions at him all at once.

Sports

President Clinton. Well, when I was in college, I liked to play basketball, which is very popular in America, and I liked to jog. I have jogged—I am a runner, you know, and I did that for most of the last almost 30 years. Then about a year and half ago, I hurt my leg, and I couldn't run for several months, and I began to work on the Stairmaster—you know, it's the machine—you find them in a lot of these gyms. You walk up and down stairs. And I do that quite a lot now because it's quicker than running. And I play golf. I like golf very much. It's my favorite sport. Even though it doesn't burn a lot of calories, it makes my mind calm. So I like it.

Now, on the World Cup, it's hard for me to predict. I will say this, the World Cup is now becoming important to Americans in the way it's important to other countries, because soccer came rather late to America because we had football and basketball. Now, more and more of our children are playing soccer. And I think the World Cup is a great way of bringing people together. You know, the United States has been estranged from Iran for a long time, but we had this great soccer game and they beat us fair and square—it was heartbreaking for Americans, but they won a great, fascinating soccer match, and they eliminated us from the World Cup.

I'm not an expert in soccer, but I think the Brazilians are always hard to beat. I've watched them play a lot, and they're very good.

Iran-U.S. Relations

[*Mr. Zuo asked about "soccer diplomacy" in the context of the Iran-U.S. World Cup competition.*]

President Clinton. I think it could be possible. The Iranians like wrestling very much, and we have exchanged wrestling team visits. And they treated our American wrestlers with great respect and friendship, which meant a great deal to me. And then we were honored to receive their wrestlers.

So I think—the new President of Iran seems to be committed to not only lifting the economic and social conditions of his people but also having a more regular relationship with the rest of the world, in accordance with international law and basically just conditions of good partnership. So I'm hoping that more will come out of this.

But I think Americans were riveted by the soccer game. And they were impressed, because we were supposed to win the game and we had lots of chances and our players played very well. They played very well; they had lots of chances; they could have scored eight times or something. But the Iranians had two fast breaks and they played with such passion and they had those two chances and they capitalized on both of them. And we respect that. It was very good.

Automobiles and the Environment

[*The next caller asked Mayor Xu if Shanghai's encouragement of private cars would make traffic conditions worse and contribute to environmental pollution. Mayor Xu responded that the city government had not encouraged private car ownership but had simply relaxed regulations related to it because Shanghai's growth had caused many to require transportation into the city from outlying areas. He acknowledged the need to focus on public transportation systems, develop a better understanding of roadway management, use unleaded gasoline, and require emissions filters.*]

Mr. Zuo. Even though Mr. President is here, look at this—some of the people here are still interested in asking questions of the mayor about their city, because they're interested and they're excited.

President Clinton. Well, they should be. I mean, that's a very basic thing.

I would like to comment on one thing the questioner asked, because I was impressed that he is concerned that if everyone has a private car, the air pollution will grow worse. Let me say, this is a big problem everywhere in the world. But I once told President Jiang, I said, my biggest concern is that China will get rich in exactly the same way America got rich. But you have 4 times as many people, so no one will be able to breathe because the air pollution will be bad.

Now, one of the things that you need to know is that when a car, an automobile, burns gasoline, about 80 percent of the heat value of the gasoline is lost in the inefficiency of the engine. But they are now developing new engines, called fuel injection engines, where the fuel goes directly into the engine and it is about 4 times more efficient. So I hope that within a matter of just a few years, in the U.S., in China, and throughout the world, all these engines will be much, much less polluting. And that will be very good for the health of the people of China and for the health of world environment.

Mayor Xu. Correct. That's a good thing. We right now are in the process of thinking about natural gas, LNG, that is, using it for cars, for taxis——

President Clinton. Very good.

Mayor Xu. ——for buses. And at the same time, even for personal motorcycles, we're thinking of making them electric instead of gasoline.

[*Mr. Zuo suggested that China's automobile policy should suit conditions in China.*]

President Clinton. Absolutely. I think, for one thing, you should be much more disciplined than we were about making sure you have good, high-quality mass transit, because in the cities where we have good mass transit, people use it. So if you have good mass transit, then I think people should be free to have cars, and it's a nice thing to have, but they won't have to drive them so much and you won't have the pollution problems.

Then I think the city, as the mayor said, can set a good example. You can have electric vehicles; you can have natural gas vehicles. And then, as I said, within a few years, I believe all of us will be driving cars that, even if they use gasoline, will be much, much more efficient. Otherwise, if we don't do these things, the air pollution will be terrible, and it will create public health problems that will cost far more than the benefits of the automobile. You don't want that. And you can avoid it. You can avoid the mistakes we made with technology and good planning.

Educational and Scientific Cooperation

[*The next caller related his experience while studying in America for a 10-month period noting American teachers' confusion about the Chinese dialects of Mandarin and Cantonese, and asked about encouraging better understanding, cooperation, and interaction between the two nations.*]

President Clinton. Well, first of all, I perfectly agree with you. I think that this is a very important point. That's why I came to China. That's why I am very pleased that the press conference I had with President Jiang was televised, and why I did a question-and-answer session at Beijing University yesterday, and why I'm doing this today. I think that we need more of this.

And as I said to an earlier caller, when I go home I intend to see what I can do about sending more Americans to China and trying to make it possible for more Chinese to come to America. Because the more we do these things, the more we will be able to work through our differences and build a common future. And, besides that, it will make life more interesting and more fun.

[*The next caller asked about China-U.S. cooperation in science and technology.*]

President Clinton. We have had for many years a U.S.-China science and technology forum—[*inaudible*]—some research that has helped us to predict extreme weather events. And it has helped us to predict the coming of earthquakes.

We have also had scientific research which has helped us to uncover the cause of a condition in newborn babies, called spina bifida, that is caused in part by the mother's having not enough folic acid. And that has helped us to have more healthy children. My wife, 2 days ago, talked to a mother whose first child was born with this condition, and the

second child was born perfectly normal because of the research done by our people together.

So we have made a commitment, President Jiang and I, to identify other areas where we will do more work. And if you or anyone listening to this program, if you have any ideas, you ought to send them to this station or the mayor; they will send them on to me—because I think we should do more science research together.

Response to President's Visit

[*A questioner asked if the President would be able to convince people who opposed his visit that he had done the right thing.*]

President Clinton. I believe that what the American people have seen already—that our media has reported back on my meeting with President Jiang, and the press conference, yesterday, the meeting with the students; today, the meeting with the citizens before I came over here, and this—it clearly shows that whatever differences we have in our systems and the differences of opinion we have about what human rights policy ought to be, what the scope of freedom of religion ought to be, any of these differences, that we still have a lot in common, and by working on the things we have in common we may also come to an understanding about how to manage our differences. And I believe that the forces of history will bring about more convergence in our societies going forward.

The mayor and I were talking earlier about the education systems and how, in the end, we need to educate young people with the same kinds of skills. And I believe, as I have said repeatedly, that high levels of personal freedom are quite important to the success of a society in the information age because you need people who feel free to explore, to state their views, to explore their own convictions, and then live out their own dreams, and that this will add to the stability of a society by enriching it. That's what I believe.

And we've been able to have these conversations here. And the Government and the people of China have been very open. Also, yesterday the students were very open in asking me some rather probing, difficult questions. And all of this, I think, is good. So I think the American people will see when I go home that this was a good thing that I came here. And it's a good thing that we have a working relationship.

China and World Trade Organization

[*The next caller asked about U.S. influence with regard to China and the World Trade Organization.*]

President Clinton. Yes. First of all, obviously I think it is important for China to be a member of the World Trade Organization because China is a major economic power that will grow only larger over time. Secondly, it should be obvious that we in the United States want to support China's economic growth. After all, we are by far the largest purchaser of Chinese exports. No other country comes close to the percentage of exports that we purchase in the United States. So we support your growth.

But we believe that when China becomes a member of the WTO, it must do so on commercially reasonable terms; that is, you must allow access to your markets, not only of American products but of others as well, and there should be some open investment opportunities. And all of this should be done, however, in recognition of the fact that China is still an emerging economy, so you are entitled to have certain longer timetables and certain procedural help in this regard.

So what we're trying to do in America is to say, okay, China should be in the World Trade Organization, but it has to be a commercially realistic set of understandings when you have memberships, and yet we owe you the right to a reasonable period of transition as you change your economy. And I think we'll get there. I think we'll reach an agreement before long.

[*Mayor Xu expressed his hope for such an agreement. Mr. Zuo then expressed his regret that time was running short. He noted that the program was the first such format the President had participated in outside the U.S. and asked him for his impressions.*]

Closing Comments

President Clinton. Well, first of all, I have enjoyed it very much. I want to thank

all the people who called in with their questions and tell you that I'm sorry we didn't get to answer more questions. But it's always the way. People everywhere want to engage their leaders in dialog. And so I thank you for your questions. They were very good ones. And if I didn't get to answer your question, I'm sorry. But this has been a historic occasion. And perhaps now when I travel to other countries, I will ask them if they will do the same thing. This was a very good idea.

[*Mr. Zuo thanked the President, and Mayor Xu then commented that he had learned a lot from the President. Mr. Zuo closed the program by thanking the participants and the audience.*]

President Clinton. Goodbye. Thank you.

NOTE: The President spoke at 12:14 p.m. from the studios of Shanghai Radio, on Zuo Anlong's radio program entitled, "Citizens and Society." The program's topic was "Moving U.S.-Sino Relations Forward into the 21st Century." A tape was not available for verification of the content of these remarks.

Statement on the Identification of Vietnam War Unknown Soldier

June 30, 1998

DNA testing positively identified the remains of the Vietnam War unknown disinterred from the Tomb of the Unknowns in May as those of the Air Force 1st Lt. Michael J. Blassie. The Defense Department has notified the Blassie family and the other families involved in resolving this difficult case. I am pleased that one more family has finally learned the fate of a loved one, and I remain committed to seeking a full accounting of the missing in action from that conflict.

Remarks at a Reception Hosted by Mayor Xu Kuangdi of Shanghai

June 30, 1998

Thank you very much, Mr. Mayor, Madame Xu; to Museum Director Ma; ladies and gentlemen. It is a great honor for my wife and members of our family, six Members of the United States Congress, and many members of our Cabinet and other American citizens to be here in Shanghai tonight.

This museum is a fitting symbol of what I have seen in China these last few days, the magnificence of your ancient past and your brilliant future.

I have seen a nation rising in its influence in the world, with China's leadership for stability in the Asian economic crisis and China's leadership for peace on the Korean Peninsula, and in working with us to help to deal with the difficulties caused by the nuclear tests by India and Pakistan.

I have seen the Chinese people rising, millions of them, out of poverty; millions more finding interesting work of their own choice, pursuing more educational opportunities, having more say in their local affairs.

I saw a great example of that when the mayor and I did a talk radio show this morning here in Shanghai. And I was especially impressed when one of the callers called in and said, "I don't want to talk to the President; I want to talk to the mayor about traffic problems in Shanghai." [*Laughter*]

Shanghai is truly the place where East meets West. Over the last 150 to 200 years, the West has not always been the best of partners in Shanghai, but now we have a good partnership. I am especially pleased that a United States firm, RTKL, will design the new Scienceland Museum here. I hope that is a symbol of the kinds of positive, good things we will do together in the future.

I also want to say a special word of appreciation to your mayor. Mr. Mayor, I heard—this may not be a true story, but don't tell me if it's not—[*laughter*]—I heard that years ago when your predecessor, Zhu Rongji, invited you to head Shanghai's Central Planning Commission, you told him you hated the whole idea of central planning. And Zhu replied, "Then you're exactly the man I want for the job." [*Laughter*]

Now we see you unleashing this city's great potential, cutting redtape, fighting corruption, protecting the environment, spurring an artistic revival. You are making Shanghai a place the world looks to for commerce, culture, and people of different walks of life thriving together.

Mr. Mayor, in 1996, when I asked the American people to give me another term

as President of the United States, the theme of my campaign was: Building a bridge to the 21st century. In Shanghai, you are building that bridge to the 21st century, and we want to build it with you.

Thank you very much.

NOTE: The President spoke at 6:40 p.m. at the Shanghai Museum. In his remarks, he referred to Mayor Xu Kuangdi of Shanghai; Ma Chengyan, director, Shanghai Museum; and Premier Zhu Rongji of China.

Proclamation 7107—To Modify Duty-Free Treatment Under the Generalized System of Preferences

June 30, 1998

By the President of the United States of America

A Proclamation

1. Pursuant to sections 501, 503(a)(1)(A), and 503(c)(1) of title V of the Trade Act of 1974, as amended ("the 1974 Act") (19 U.S.C. 2461, 2463(a)(1)(A), and 2463(c)(1)), as amended, the President may designate or withdraw designation of specified articles provided for in the Harmonized Tariff Schedule of the United States (HTS) as eligible for preferential tariff treatment under the Generalized System of Preferences (GSP) when imported from designated beneficiary developing countries.

2. Pursuant to section 503(c)(2)(A) of the 1974 Act (19 U.S.C. 2463(c)(2)(A)), beneficiary developing countries, except those designated as least-developed beneficiary developing countries pursuant to section 503(c)(2)(D) of the 1974 Act (19 U.S.C. 2463(c)(2)(D)), are subject to competitive need limitations on the preferential treatment afforded under the GSP to eligible articles.

3. Pursuant to section 503(c)(2)(C) of the 1974 Act (19 U.S.C. 2463(c)(2)(C)), a country that is no longer treated as a beneficiary developing country with respect to an eligible article may be redesignated as a beneficiary developing country with respect to such article if imports of such article from such country did not exceed the competitive need limitations in section 503(c)(2)(A) of the 1974 Act (19 U.S.C. 2463(c)(2)(A)), during the preceding calendar year.

4. Pursuant to section 503(c)(2)(F) of the 1974 Act (19 U.S.C. 2463(c)(2)(F)), the President may disregard the competitive need limitation provided in section 503(c)(2)(A)(i)(II) of the 1974 Act (19 U.S.C. 2463(c)(2)(A)(i)(II)) with respect to any eligible article if the aggregate appraised value of the imports of such article into the United States during the preceding calendar year does not exceed the applicable amount set forth in section 503(c)(2)(F)(ii) of the 1974 Act (19 U.S.C. 2463(c)(2)(F)(ii)).

5. Pursuant to section 503(d) of the 1974 Act (19 U.S.C. 2463(d)), the President may waive the application of the competitive need limitations in section 503(c)(2)(A) with respect to any eligible article of any beneficiary developing country if certain conditions are met.

6. Section 507(2) of the 1974 Act (19 U.S.C. 2467(2)) provides that in the case of an association of countries which is a free trade area or customs union, or which is contributing to comprehensive regional economic integration among its members through appropriate means, including, but not limited to, the reduction of duties, the President may provide that all members of such association other than members which are barred from designation under section 502(b) of the 1974 Act (19 U.S.C. 2462(b)) shall be treated as one country for purposes of title V of the 1974 Act.

7. Pursuant to sections 501 and 503(a)(1)(A) of the 1974 Act, and after receiving advice from the International Trade Commission in accordance with section 503(e), I have determined to designate certain articles, previously designated under section 503(a)(1)(B), as eligible articles from additional beneficiary developing countries. In order to do so, it is necessary to subdivide and amend the nomenclature of existing subheadings of the HTS. For certain articles, I have decided that the effective date of designation shall be determined by the United States Trade Representative (USTR).

8. Pursuant to section 503(c)(1) of the 1974 Act, I have determined to limit the application of duty-free treatment accorded to

certain articles from certain beneficiary developing countries.

9. Pursuant to section 503(c)(2)(A) of the 1974 Act, I have determined that certain beneficiary developing countries should not receive preferential tariff treatment under the GSP with respect to certain eligible articles imported in quantities that exceed the applicable competitive need limitation.

10. Pursuant to section 503(c)(2)(C) of the 1974 Act, I have determined that certain countries should be redesignated as beneficiary developing countries with respect to certain eligible articles that previously had been imported in quantities exceeding the competitive need limitations of section 503(c)(2)(A).

11. Pursuant to section 503(c)(2)(F) of the 1974 Act, I have determined that the competitive need limitation provided in section 503(c)(2)(A)(i)(II) should be waived with respect to certain eligible articles from certain beneficiary developing countries. For certain articles, I have decided that the effective date of the waiver shall be determined by the USTR.

12. Pursuant to section 503(d) of the 1974 Act, I have determined that the competitive need limitations of section 503(c)(2)(A) should be waived with respect to certain eligible articles from certain beneficiary developing countries. I have received the advice of the International Trade Commission on whether any industries in the United States are likely to be adversely affected by such waivers, and I have determined, based on that advice and on the considerations described in sections 501 and 502(c), that such waivers are in the national economic interest of the United States. For a certain article, I have decided that the effective date of the waiver shall be determined by the USTR.

13. Pursuant to section 507(2) of the 1974 Act, I have determined that members of the West African Economic and Monetary Union (WAEMU) should be treated as one country for purposes of title V of the 1974 Act.

14. Pursuant to section 507(2) of the 1974 Act, I have determined that members of the Southern African Development Community (SADC) should be treated as one country for purposes of title V of the 1974 Act. The USTR shall determine which specific members of the SADC are to be included in the designation under section 507(2) of the 1974 Act and shall determine the effective date or dates of the designation. The USTR shall announce by publication in the *Federal Register* the specific SADC members to be included in the designation and the effective date or dates.

15. Pursuant to section 507(2) of the 1974 Act, I have determined that members of the Tripartite Commission for East African Cooperation (EAC) should be treated as one country for purposes of title V of the 1974 Act. The USTR shall determine which specific members of the EAC are to be included in the designation under section 507(2) of the 1974 Act and shall determine the effective date or dates of the designation. The USTR shall announce by publication in the *Federal Register* the specific EAC members to be included in the designation and the effective date or dates.

16. Section 604 of the 1974 Act, as amended (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

Now, Therefore, I, William J. Clinton, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to title V and section 604 of the 1974 Act, do proclaim that:

(1) In order to provide that one or more countries that have not been treated as beneficiary developing countries with respect to one or more eligible articles should be designated as beneficiary developing countries with respect to such article or articles for purposes of the GSP, and that one or more countries should not be treated as beneficiary developing countries with respect to one or more eligible articles for purposes of the GSP, general note 4 to the HTS is modified as provided in section A of Annex I and section A of Annex IV to this proclamation.

(2) In order to designate certain articles, previously designated under section

503(a)(1)(B), as eligible articles from additional beneficiary developing countries, the HTS is modified by amending and subdividing the nomenclature of existing HTS subheadings as provided in section B of Annex I to this proclamation.

(3)(a) In order to designate certain articles as eligible articles for purposes of the GSP when imported from any beneficiary developing country, the Rates of Duty 1–Special subcolumn for certain HTS subheadings is modified as provided in section C(1) of Annex I and section B of Annex IV to this proclamation.

(b) In order to designate certain articles, previously designated under section 503(a)(1)(B), as eligible articles from additional beneficiary developing countries, the Rates of Duty 1–Special subcolumn for the HTS subheadings enumerated in section C(2) of Annex I to this proclamation is modified as provided in such section.

(c) In order to provide preferential tariff treatment under the GSP to beneficiary developing countries that have been excluded from the benefits of the GSP for certain eligible articles, the Rates of Duty 1–Special subcolumn for each of the HTS subheadings enumerated in section C(3) of Annex I to this proclamation is modified as provided in such section.

(d) In order to provide that one or more countries should not be treated as a beneficiary developing country with respect to certain eligible articles for purpose of the GSP, the Rates of Duty 1–Special subcolumn for each of the HTS subheadings enumerated in section C(4) of Annex I to this proclamation is modified as provided in such section.

(4) A waiver of the application of section 503(c)(2)(A) of the 1974 Act shall apply to the eligible articles in the HTS subheadings and to the beneficiary developing countries set forth in Annex II and in section C of Annex IV to this proclamation.

(5) In order to provide for the continuation of previously proclaimed staged reductions of duties in the Rates of Duty 1–General subcolumn for goods that fall in the HTS subheadings modified by section B of Annex I to this proclamation and that are entered, or withdrawn from warehouse for consumption, on or after the dates specified in section A of Annex III to this proclamation, the rate of duty in the HTS set forth in such subcolumn for each of the HTS subheadings enumerated in section A of Annex III to this proclamation is deleted and the rate of duty provided in such section is inserted in lieu thereof.

(6) In order to provide for the continuation of previously proclaimed staged reductions of duties in the Rates of Duty 1–Special subcolumn for certain goods of Mexico that fall in the HTS subheadings modified by section B of Annex I to this proclamation and effective with respect to goods of Mexico under the terms of general note 12 to the HTS that are entered, or withdrawn from warehouse for consumption, on or after the dates specified in section B of Annex III to this proclamation, the rate of duty in the HTS set forth in such subcolumn followed by the symbol "MX" in parentheses for each of the HTS subheadings enumerated in section B of Annex III to this proclamation is deleted and the rate of duty provided in such section is interested in lieu thereof.

(7) In order to reflect in the HTS the decision that members of the WAEMU should be treated as one country for purposes of title V of the 1974 Act, and to enumerate the member countries, general note 4(a) to the HTS is modified as provided in Annex V to this proclamation.

(8) In order to reflect in the HTS the decision that members of the SADC should be treated as one country for purposes of title V of the 1974 Act, and to enumerate those member countries that should benefit from such designation, general note 4(a) to the HTS is to be modified as set forth in a notice or notices that the USTR shall cause to be published in the *Federal Register*. Such notice or notices should direct the insertion in general note 4(a) of the title of the association and the names of those member countries that should be treated as one country for purposes of title V of the 1974 Act, and should specify the effective date of such designation.

(9) In order to reflect in the HTS the decision that members of the EAC should be treated as one country for purposes of title V of the 1974 Act, and to enumerate those

member countries that should benefit from such designation, general note 4(a) to the HTS is to be modified as set forth in a notice or notices that the USTR shall cause to be published in the *Federal Register*. Such notice or notices should direct the insertion in general note 4(a) of the title of the association and the names of those member countries that should be treated as one country for purposes of title V of the 1974 Act, and should specify the effective date of such designation.

(10) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(11)(a) The modifications made by Annex I to this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after July 1, 1998.

(b) The action taken in Annex II to this proclamation shall be effective on the date of signature of this proclamation.

(c) The modifications made by Annex III to this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after the dates set forth in such Annex.

(d) The modifications made by Annex IV to this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after a date to be announced in the *Federal Register* by the USTR.

(e) The modification made by Annex V to this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date of signature of this proclamation.

In Witness Whereof, I have hereunto set my hand this thirtieth day of June, in the year of our Lord nineteen hundred and ninety-eight, and of the Independence of the United States of America the two hundred and twenty-second.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., July 2, 1998]

NOTE: This proclamation was released by the Office of the Press Secretary on July 1, and it was published in the *Federal Register* on July 6.

Remarks to Business Leaders in Shanghai

July 1, 1998

Thank you very much. Thank you. Ladies and gentlemen, thank you for your warm welcome, and let me begin by thanking Charles Wu for inviting me here today. I am honored to be joined not only by Secretary Daley but by Secretary Albright and Ambassador Barshefsky, from whom you have already heard, and the distinguished congressional delegation and our fine Ambassador, Jim Sasser.

It is fitting that the American Chamber of Commerce here in Shanghai is the fastest growing one in Asia. Over the past 24 hours or so, I've had the chance to see examples of the kind of ingenuity and energy of those who live and work here, from the magnificent examples of architecture and culture to the people.

Yesterday I hosted a discussion with a range of Chinese leaders in academia, in law, in the media, in culture, and nongovernmental organizations, all working to create a more responsive, open, decentralized society. And also yesterday some of you may have heard the radio call-in show that I had, where the mayor joined me. It was very much like call-in shows in America. People were concerned about quite immediate issues by and large. My favorite caller said he did not want to talk to the President, he wanted to talk to the mayor about traffic issues. [*Laughter*]

One of the greatest American politicians in the last 50 years, the late Speaker Tip O'Neill, once told all of our Democrats in the House that all politics was local. That's the most extreme expression I've seen in a long time, and I liked it very much.

Later today I will have the opportunity to speak with several new entrepreneurs and to families who have recently moved into their own home for the first time. All of this to me has been very, very encouraging. Many of you have helped to nurture Shanghai's success and in so doing, have helped to nurture China's ongoing evolution to a more open,

stable, and prosperous society. Your presence in Shanghai is vitally important for the future of China and the United States and the larger world.

China has, of course, been one of our largest trading partners. They bring more jobs, better pay, more growth, greater prosperity back home to the American people. In the 21st century more than ever, our ability to compete in foreign markets will be a critical source of our strength and prosperity at home. We have, after all, in the United States just 4 percent of the world's population, but we produce 20 percent of its wealth. Clearly we must do something with the other 96 percent of the people on this small planet in order to maintain our standard of living and our ability to stand up for our values around the world.

We especially must reach out to the developing world, whose economies are projected to grow at 3 times the rate of the developed economies over the next 20 years, including, of course, the largest country, China.

America, as Secretary Daley has said, has been very blessed these last 5½ years. I am grateful to have had the chance to serve, and I'm very grateful for the support I have received from the Members of Congress here in this audience and, even more importantly, for the work the American people have done to bring our country back, bring our country together, and move our country forward.

But it is very important to note that a big part of all those numbers that Secretary Daley read off was the expanding, vigorous American presence in foreign markets. About 30 percent of the growth that produced those 16 million new jobs and the revenues necessary to balance the budget for the first time since 1969 and run a surplus came from expanded trade. And it is a cause we must keep at.

I also want to say that in addition to the positive impacts you have on the United States, your work here has a very positive impact in China. China's 20-year track record of unprecedented growth has been fueled in part by foreign products, know-how, investment, trade, and energy. These ties also have more subtle and perhaps more profound, long-lasting effects. They strengthen the rule of law, openness, and accountability. They expose China to fair labor practices and stronger environmental standards. They spread powerful agents of change, fax machines and photocopiers, computers and modems.

Over time, the more China enters the world community and the global economy, the more the world will strengthen freedom and openness in China. You are in the vanguard, therefore, of an historic process.

Our commercial relationship has also helped to strengthen and in turn has been strengthened by expanding diplomatic cooperation between our nations. I will do everything I can to encourage stronger trade ties between the United States and China. Just before my departure, the House Ways and Means Committee voted overwhelmingly in favor of normal trade treatment for China, MFN. I hope the rest of Congress soon will follow suit. Failure to renew that would sever our economic ties, denying us the benefits of China's growth, endangering our strategic partnership, turning our back on the world's largest nation at a time when cooperation for peace and stability is more important and more productive than ever.

China and, indeed, Shanghai face major challenges in advancing economic progress beyond the present point; we all know that—more restructuring of state-owned enterprises, developing a transparent legal and regulatory system, preserving the environment as the economy grows, building a strong financial system, opening markets, playing a responsible role in sustaining the international financial system.

The United States is prepared to work with China in meeting these challenges because the success of China will affect not only the Chinese people and Chinese prosperity but America's well-being and global stability as well.

First, restructuring state enterprise is critical to building a modern economy, but it also is disrupting settled patterns of life and work, cracking the Iron Rice Bowl. In the short term, dismantling state enterprises puts people out of jobs—lots of them—and into competition for employment for private jobs. Those who lack the right education, skills, and support risk being left behind here, as they do, I might add, in the United States

and other countries undergoing changes because of the global economy and the information age.

China will have to devise new systems of training workers and providing social benefits and social security. We have asked our Council of Economic Advisers, the Treasury, Commerce, and Labor Departments to share their expertise and experiences with Chinese to help them navigate this transition.

Second, China is working to put in place a more transparent and predictable legal and regulatory system, with enforceable rights, clear procedures, and strong efforts to combat corruption. I am pleased that American businesses have pledged financial support for the rule of law initiative President Jiang and I have launched. It is terribly important. It will improve legal education and judicial training in China, streamline the regulatory system, and improve legal aid for the poor. Just as important, it can be the basis for strengthening the protection of personal rights and constraining arbitrary government. We've also initiated a dialog between our labor ministers that will address worker rights. I challenge you to set a good example here to show that respect for core labor standards goes hand in hand with good and successful business practices.

Third, as we go forward we must ensure that economic development does not lead to environmental catastrophe. Respiratory illness from air pollution is now China's number one health problem. Every major body of water is polluted. The water table is dropping all over the country. China is about to assume the unfortunate distinction of replacing the United States as the largest emitter of greenhouse gases that are dangerously warming our planet.

Increasingly, pollution at home, whether in China or the United States or elsewhere, becomes a worldwide environmental problem, as well as health, environmental, and economic problem for people in their home countries. Climate change is a real and growing issue. The 5 hottest years recorded on the planet since 1400 have all occurred in the 1990's. If present trends continue, 1998 will be the hottest year ever recorded.

Now, unfortunately, it is still the dominant opinion in virtually all developing countries—and I might add, in many sectors of the United States, including among many in the Congress—that there is an iron, unbreakable link between economic growth and industrial age energy practices. If that is the link, we can hardly expect decisionmakers in countries with a lot of poor people trying to come to grips with the enormous changes of the global economy to do anything other than either deny the environmental problems or say that their children will have to fix them. Happily, it is not true. It is simply not true.

We have example after example after example of countries whose economies are doing well as they adopt more sensible environmental and energy practices and companies in the United States who are making a significant share of their profits through conservation and the implementation of new technologies, everything from simple initiatives, like using more natural gas, using better lighting and insulation material, use of waste heat from power generation facilities to provide heating, cooling, and lighting, and about to be widely available, fuel injection engines which will cut pollution from automobiles by 80 percent.

All these things are available. Shanghai could be the center of an energy revolution in China which would actually lead to faster economic growth, less resources invested in cleaning up the mess later, and less resources invested in taking care of sick people who won't get sick if more is done to preserve the environment.

But we have to do something to break the idea in people's minds that the only way to grow the economy of a developing country is to adopt industrial age energy use patterns. It is not true; it is a huge problem. It is still a problem in the United States, and I ask you to lead the way.

All the evidence is, if you look at the record of our country going back to 1970, every time the United States has adopted higher environmental standards, businesses have created new technologies to meet them, and we have actually had faster economic growth with better and better paying jobs as a result. This is something we will have to do together.

I am pleased that the energy and environment initiative we launched last October has

begun already to yield concrete clean energy and clean air projects, which I'll have an opportunity to talk about more tomorrow in Guilin. But I wanted to take this opportunity to ask all of you to try to change the thinking because I have no right as President of the United States to ask China to slow its economic growth. I don't have a right to do that. But as a citizen of the world and the leader of my country, I have a responsibility to ask us all to work together for a planet that our grandchildren can still enjoy living on. And so do you.

Fourth, you know better than I that China faces significant challenges in strengthening its financial and its banking systems. America learned some hard lessons from our savings and loan crisis in the 1980's. The Asian financial crisis today demonstrates the havoc a weak and inadequately supervised banking system can create. We want to help China avoid similar errors by improving regulations, opening to foreign competition, training bank supervisors and employees, and in the process, I might add, developing the capacity to fund more private entrepreneurs in small businesses.

Fifth, as you are well aware, China's economy still is burdened with complicated and overlapping barriers. More open markets are important to the United States, which buys today about a third of China's exports and, in turn, should have a fair shot at China's markets. It is important to China as it builds an economy that must compete globally. In America, as in China, rapid change and the disruptions it brings make it tempting to turn inward and to slow down. But for China, as for America, the promise for the future lies in helping our citizens to master the challenges of the global economy, not to deny them or run away from them.

President Jiang and I agree on the importance of China's entry into the World Trade Organization. But that can only happen on strong terms, the same terms that other nations of the world abide by to benefit from WTO membership. Of course, there will have to be an individual agreement that recognizes the transitions China must undertake, but the terms have to be clear and unambiguous.

I'm disappointed that we didn't make more progress on this issue, but we'll keep working at it until we reach a commercially viable agreement. I also want to emphasize something I'm sure every Member of Congress here would agree with, which is that we cannot build support for permanent MFN for China in the Congress on the basis of anything less.

Finally, China must help to meet the challenge of an international financial system with no respect for borders. I must say that I appreciate the very constructive role China has played in promoting financial stability in the region, through direct assistance, multilateral cooperation, participation in the international financial institutions. Premier Zhu and President Jiang told me China is determined to play its part in avoiding another round of competitive devaluations, which I believe would also be damaging to China, as well as to the region.

Both our countries have important responsibilities to counter the threat to the international financial system, and I am confident that working together, we can do so. Of course, we have work to do to meet all these challenges, but you can help, as I'm sure you know, explaining to Chinese colleagues the important and tangible benefits in the information age of increasing individual freedom, and limiting arbitrary governmental decisions.

It isn't simply a philosophical matter that no one has a monopoly on the truth. If you look at what is driving the information age, it is ideas. The Chairman of the Federal Reserve, Alan Greenspan, was having a conversation with me several weeks ago, and he told me something that I didn't know—he usually tells me something I don't know when I visit with him—[*laughter*]—but he said that, actually, economists had measured the physical size of national output and compared changes in GNP or GDP with changes in physical size. He says that in the last 15 years, while America's income has gone way up, the bulk of what we've produced has hardly increased at all. Why? Because wealth is being generated by ideas.

That will become increasingly true everywhere. In that kind of world we must all value the ability of people to think and speak

and explore and debate, not only because it is, we believe in America, morally right but because it is the only thing in the end that will actually work to maximize the potential of the people of China. And they deserve a chance, after so much struggle and so much hard work, to live up to their potential and to see their nation live up to its potential.

I also believe it is important to explain to American colleagues and friends back home the importance of our engagement with China. There are some people who actually question whether I ought to have come on this trip and who had, I thought, prescriptive advice, which would have completely undermined the effectiveness of the trip.

It is important for Americans to remember, as we go around the world telling people that no one has a monopoly on the truth, that we don't either. And that we live in a world where the unique position of the United States as the world's remaining military superpower, with all of our economic strength, is such that we can maximize our influence only by reaching out a hand of cooperation as well as standing strong when the moment requires it.

We have to make most of our progress with most people by working with them, and that requires us to seek to understand and communicate and reciprocate and to live by the values we espouse.

So I hope you will do both these things. I hope you will bring energy and commitment to these tasks. I hope you will be immensely successful at what we call your day job as well, because we have a lot to do to help America and China reach their full potential in the 21st century. But a great deal is riding on our success, and I believe we will succeed.

Thank you. Thank you very much.

NOTE: The President spoke at 9:37 a.m. in the Atrium of Portman Ritz Carlton. In his remarks, he referred to Charles Wu, president, American Chamber of Commerce; Premier Zhu Rongji and President Jiang Zemin of China.

Interview With Central China Television in Shanghai

July 1, 1998

President's Visit to China

Q. Mr. President, we are very honored to have this opportunity to talk to you, now that your trip in China is almost halfway. And I guess you have gained a clearer picture of today's China and what it is all about. So we noticed that when you visit China, you chose Xi'an as the first stop. Can you tell us why you decided to visit Xi'an first, in your first trip ever to China?

The President. I wanted to start with a place that embodied the history of China, the culture of China, the permanent character, if you will, for the Chinese people. And I did it for personal reasons, because I think it's always helpful for me to understand where people are and where they're going—if you understand where they come from.

But I also did it because I knew the American people would see this. And one big goal of this trip for me was to have the American people learn more about China and the Chinese people learn more about America. So that's why I went to Xi'an first.

Eastern and Western Philosophies

Q. Now, Mr. President, speaking of Xi'an, I remember at your speech at the Xi'an airport you quoted "Li Shi," which is an ancient Chinese philosophy book. Now, in your opinion, based on the several days of observation you've had in China, do you think there's still a difference between Eastern and Western philosophy? And if so, how can these two philosophies cohabitate with each other in the world today?

The President. Oh, I think there are some differences. Western philosophy is probably somewhat more explicitly individualistic. And much Western philosophy is rooted either in the religious tradition of Judaism and Christianity, or in kind of the materialist tradition. But still, I think at bottom the best of Western and Eastern philosophy attempt to get at the truth of human life and human nature and attempt to find a way for people to live

more fully up to that human truth. And so I think if you strip it away, we have a lot to learn from Eastern philosophy and perhaps China can learn some things from Western philosophy, because they help us to look at the world in a different way and acquire a fuller view of what the truth is.

President's Introduction to China

Q. And you do mention that it's a very good way to learn the history and culture of a nation in order to understand more about the nation. So, Mr. President, in your memory can you recall the first time you ever learned or heard about China? I mean, for instance, is it by a book or a movie or some other means?

The President. Oh, no, no. I remember—it's when I was a young boy, and I was reading—my mother and father, they got me a set of encyclopedias when I was a boy, where you go—it's world topics, A through Z—no computers, you know?

Q. And China is C. [*Laughter*]

The President. And I remember looking at the maps of the world and reading about China. I was probably, I don't know, 8 or 9 years old. And I was fascinated by what I read. I always wanted to come here from that time on.

Q. Now, Mr. President, now that you're in China—this is your 7th day in China, and during the last 7 days you've talked to people from all walks of life; you've discussed issues on a wide range with many various people. Is the China in your impression now different from when your mother first gave you that map when you were 8 or 9 years old?

The President. Oh, yes.

Q. And what's the most impressive difference?

The President. Well, for one thing, at that time I had very little understanding. It's still the most populous country in the world, but I think one is immediately struck by the dramatic economic growth and by the opening of China to the rest of the world, in terms of learning, the quest for information.

You know, I went to that Internet cafe this morning and watching the Chinese young people get on the Internet and go all over the world looking for information, this is, I think a very important development.

I also believe there is a genuine increase in people's control over their own lives. Incomes are going up, people have more choices in education, more choice in jobs, the freedom to travel. The state-run industries are going down in relative importance, and cooperatives and private businesses are coming up. And there's more say at the grassroots level now over who the local leaders are and what their policies are. So I think there's a genuine movement toward openness and freedom in China, which obviously, as an American and as an American President, I hope will continue and increase and which I believe is right—morally right, but I also think it's good for China.

Q. Do you have any surprises? Except for this.

The President. Well, I don't know about surprises. I think I was—I was a little surprised—yes, I have two. First, I did not expect when I came here that my entire press conference with President Jiang would be played live on television, and then my speech at Beijing University. And then, of course, yesterday I had the call-in radio show here in Shanghai. So I did not anticipate being able to have that sort of open, sweeping communication with the Chinese people. And I'm very pleased, and I appreciate President Jiang's decision to let the press conference be aired and all the other decisions that were made. That I think was very good. I think it was also good for the Chinese leaders. I mean, the mayor of Shanghai and I had a wonderful time on the radio yesterday.

So I think bringing the people into the process of making these decisions and having these discussions I think is very, very important, because if you think about a lot of the problems that we face—we could take American issues; we could take Chinese issues—how are you going to guarantee that all these people who work for state-owned industries get good jobs? How are you going to deal with the housing problems if people no longer have a housing guarantee connected to their job, but there are vacant apartments in Shanghai, but you can't seem to put the two together? How do you solve these problems?

Very often there's not any simple answer. And people feel better just to know that their

views are heard, their concerns are heard, and that there can be a discussion where people work together toward the answers. So I think this whole democratic process, in my view, is very, very important to make society work when things are changing as quickly as they are now.

Comparison to President Jiang

Q. Now, Mr. President, you've obviously made very indepth observations of China today. You mentioned a lot of the problems that this society is dealing with today. For instance, state-owned enterprise reforms and so on and so forth. So whose job do you think is tougher, if you have to make a comparison, yours or President Jiang Zemin's?

The President. Oh, I don't know. I think that he faces enormous challenges here at home of a scope that Americans have a hard time imagining. Probably the only element of my job which is more difficult right now is that since the cold war is over and America has this role which is temporary—it won't last forever—as the only superpower in the world, I have a lot of work to do to deal with America's challenges and problems at home and then to try to get the American people to support our Nation doing what we should do as a force for peace and prosperity and stability around the world.

So our people have normally been rather like the Chinese people, you know—we want to attend to our own affairs and not be so involved in the rest of the world unless we just had to be, throughout the last 200 years. But in the last 50 years, we've learned that we can only succeed at home if we have positive relationships around the world—which is the main reason I wanted to come to China.

U.S. Leadership in the World

Q. Now, allow me to follow up on that, Mr. President. You mentioned America is the only superpower left for now in the world. And America's leadership role in the world has often been talked about in domestic politics, if not sometimes in international occasions, too. Now, in your opinion, does the world today need a leader, and, if so, how should the United States assume the responsibility and why?

The President. Well, I think the short answer to your question is, yes, the world needs a leader, but not in the sense of one country telling everyone else what to do. That is, let's take something that didn't happen in Asia.

If you look at the problem, the civil war in Bosnia, the terrible problem in Bosnia, we had the military resources to work with NATO our military allies in Europe, to move in and stop the war. Because we were the largest party to NATO, if we hadn't been willing to take the initiative, it wouldn't have happened. On the other hand, we couldn't have done it alone. We had to have people work with us.

I'll give you another example. We want to do everything we can to end the stalemate between North and South Korea. But if China had not been willing to work with us, I don't think we could have started these four-party talks again or we would be very effective in urging North Korea and South Korea to talk directly. But because we can work with China, we can have more influence.

Here, I come to China, and I say, we want to be your friends; we share the security interest, and we're working together with India and Pakistan on the nuclear tests; we're working to stop the transfer of dangerous weapons; we're working to cooperate in environmental projects; and we know we have differences, and I want to tell you why I believe in religious freedom or political freedom. If you think about it, that's a leadership issue for the United States. But the success of the leadership depends upon having a partnership with China.

So it's a different sort of world leadership than in the past where it's just a question of who has the biggest army gets to send a list of instructions to another country, and you think it will be done. That's not the way the world works now. You have to have—sometimes you have to stand strong for what you believe in, in terms of sending the soldiers into Bosnia or imposing economic sanctions on South Africa, as both China and the U.S. did in the time of apartheid. But most days you get more done by finding a way to engage countries and work with them and persuade them that you're doing the right thing. It's important to have allies in the

world we live in—to be more cooperative, even from a leader's point of view you have to have allies and people that will work with you.

Q. According to my understanding, Mr. President, the role of America in the world, I mean, the United States in the world, in international affairs is not, as some people believe or argue, the role of world cop according to your understanding?

The President. No. We're not the world's policeman. But sometimes we have to be prepared to do things that other countries can't or won't do. For example, I think we did absolutely the right thing these last several years to insist that we keep economic sanction on Iraq until they give up their weapons of mass destruction program. I think we did the right thing to go into Bosnia. I think we did the right thing to restore democracy in Haiti.

But most times the problems cannot be solved by military means. And most times, even if we take initiative, we should be trying to create a world in the 21st century, where there is a structure where peace and prosperity and the ability to solve new problems—like the environmental problems—where that kind of structure works, and where you minimize weapons of mass destruction, drug trafficking, ethnic wars, like we had from Rwanda to the Middle East to Northern Ireland.

And so the United States' role, I think, is to try to create a structure where more likely than not the right things will be done when problems arise—not to just do it all ourselves or tell other people what to do.

Achievements of the China Visit

Q. Okay, Mr. President, let's come back to your trip in China. Now you have already finished, let's say, already you have been in China for almost one week. What do you think are the major achievements through your trip here?

The President. I think there are several. First of all, in the whole area of nonproliferation, the fact that we have agreed not to target nuclear weapons at each other is very important. It's important for, I think, three reasons.

One is, it eliminates the prospect that there will ever be a mistaken launch of a nuclear weapon. Second, it's a great confidence-building measure. It's a symbol, if you will, of the growing friendship of the two countries, and it should make other countries in the Asia-Pacific region relax a little. And, third, since India and Pakistan did these nuclear tests, it reaffirms that we believe that's not the right way to go. We should be moving away from nuclear weapons, not toward them. So that's the first thing.

The second thing is, China has agreed to work with us to stop the transfer of technologies to countries that might misuse it, to not assist unsafeguarded nuclear facilities like Pakistan's, and to consider joining the worldwide system that prevents the exportation of dangerous technologies. So that's important.

We announced more efforts on our energy and environmental initiative. This is very important, you know. You have long-related problems with the number one health problem in China because of air pollution. Your major waterways have pollution; the water table is down. We have to find a way to grow the economy and replenish the environment. So this—I predict to you 10 years from now people will look back and say that's one of the biggest things they did; they agreed to work more there. We agreed to deepen our cooperation in science and technology where we've already achieved a lot together. So I think in all these areas this is important.

There is a huge potential benefit to the Chinese people and, therefore, to the American people in the rule of law project we're doing where we're working with Chinese people to set up the right kind of legal procedures to deal with all the questions that are going to come up as you privatize the economy. For example, my wife met the other day, I think in Beijing——

Q. Beijing University.

The President. ——yes, and she was telling me about a case that was raised where a woman was divorced from her husband because there had been problems in the home. And they had one child, but they couldn't move out of the home, even though they had a divorce, because the house came to the husband through his job.

So as you change the society there will have to be all kinds of legal changes made. And I think if we work together on that, I think we can find a way to enhance freedom and stability. So all these things are important.

But finally, I think that in the end it may be that the biggest achievement was the increased understanding and the sense of a shared future. I mean, I think the press conference that President Jiang and I did will be viewed as historic for a long time to come. And the fact that he wanted to do it, he enjoyed it, and it was on national television, I think was very important.

China-U.S. Relations

Q. And I think Chinese people and American people enjoyed that.

The President. I think so. So I think it's a very productive trip.

Q. Now, Mr. President, you mentioned the achievements in the last several areas, for instance, detargeting of nuclear missiles at each other and cooperation in scientific and environmental areas, and increased understanding. In your joint statements with President Jiang Zemin, you both also acknowledged that China and the United States have areas of disagreement. In one word, you have agreed to agree and you have agreed to disagree.

Now, in your opinion, in the world today, China is now the largest developing nation and the United States is the largest developed nation. For these two nations to have areas of agreements and disagreements, how should they develop their relationship? Is the world too small for two large nations?

The President. No. No. For one thing, in every relationship, in every business partnership, in every family, in every enterprise you have agreements and disagreements. I'll bet you at your station you have agreements and disagreements. So what you have to do is you identify your agreements and then you identify your disagreements, and then you say, here's how we're going to deal with these. And you keep working to try to bridge the gap.

Our major differences are in trade, over some terms of trade issues, and in the human rights area, how we define it, how China defines it, where we should go from here. But if you back up 3 years ago, we've made significant progress in both those areas. And if you back up 5 years ago, we had a lot of difference in the proliferation area, most of which have been eliminated.

So there's been a lot of progress in this relationship in the last 5½ years. And I would say to the people of China and the people of the United States, the world is not too small for two big countries; it is a small world, and we should all act that way. That should make us both more responsible, with a greater sense of responsibility for our own people, for our partnership with each other, and for the rest of the world, as well.

President's Visit to China

Q. Now, Mr. President, you mentioned the areas of differences between China and the United States. However, do you think that this trip to China has helped you understand why China is the way China is?

The President. Oh, absolutely. There's no question about that. And I hope that this trip to China has helped the Chinese people understand why Americans are the way we are.

China's Youth and Chelsea Clinton's Impressions

Q. Mr. President, we have noticed that your daughter, Chelsea, accompanied you to Beijing and to all of the China trip, and also particularly to the Beijing University when you made the speech.

The President. Yes.

Q. And in your speech, high hope was placed on the young generation of both China and the United States. And we wondered whether Chelsea—did Chelsea ever mention to you her impression of the Chinese youth in her interaction with the Chinese college students?

The President. Oh, yes, she very much wanted to come here. She wanted to make this trip, and her university work was concluded in time for her to be able to come. But she has very much enjoyed getting out, meeting young Chinese people, and seeing what's going on. She said to me just yesterday how incredibly exciting she thought Shanghai was and how she wished she could stay here

a while when we leave and go back, just to see more of it.

And I think any young person in the world coming here would be excited by it and would be excited to see how eager the young Chinese people are to build good lives for themselves, to learn more about the rest of the world. The hunger for knowledge and for the improvement of one's capacity to do things among these young people is truly amazing. The energy they generate is astonishing, and it makes me feel very hopeful about the future.

Meetings With President Jiang

Q. One last question, Mr. President. Do you think that your conversation with President Jiang face-to-face in such a summit is easier than the hotline, which has to go over the Pacific?

The President. Oh, yes, always better. I think face-to-face is always better. But I also believe that once you get to know someone and you feel comfortable with them—you know, President Jiang and I have a very friendly relationship, and it permits us to deal with all these issues so that the hotline then becomes very useful.

If we were strangers, for example, the hotline would not be so helpful because it would be awkward. But when there's a problem, as there was with the nuclear tests—and I didn't want to wait until I got to China to talk to President Jiang about how we should respond to the India and Pakistani nuclear tests, so I called him on the hotline. And because we had already met several times and we felt—and he had had this very successful state visit to the United States, the hotline was very, very important, very helpful. So I think the telephone is important. The Internet is important. All communications can be good, but none of it can take the place of face-to-face communications.

Q. Thank you very much for giving us this opportunity to sit together with you face-to-face. Thank you very much.

The President. Thank you.

NOTE: The interview began at approximately 3:30 p.m. at the Shanghai Stock Exchange and was embargoed for release until 7:30 p.m. by the Office of the Press Secretary. In his remarks, the President referred to Mayor Xu Kuangdi of Shanghai. A tape was not available for verification of the content of this interview.

Remarks to the Building Construction and Finance Community in Shanghai

July 1, 1998

Thank you very much, Vice Mayor Zhou; Deputy Magistrate Wang; to developer Gu Cai Xin; to the Tang family, whose home the Members of the U.S. Congress visited; and to Ms. Yu and her family, who were very kind to take me into their home; and to all of you. It's a pleasure to be here today.

I would like to begin by thanking the Folk Music Band for the wonderful music. Thank you very much. And I would like to say to all of you who are moving into new homes, *Gong xi, gong xi*. Congratulations.

More than 20 years ago, I bought my first home. I actually bought it because my girlfriend liked the house. [*Laughter*] We were driving by the house one day—it was a very small house—and she said, ''I like that house very much.'' So I found out the house did not cost too much money, and I bought it. And then I said to my girlfriend, ''I bought that house you like; now you'll have to marry me.'' [*Laughter*] And she did. So I hope that your homes bring you as much joy as mine did 23 years ago.

I came here with your local officials and Ambassador Sasser and Ambassador Li and the Members of Congress to emphasize the importance of homeownership to the future of the people of China and to the prosperity of your country. As you could see from what Ms. Yu said, owning a home is a source of pride to a family and a tribute to its industry and hard work. But all China benefits from more homeowners because that means more jobs, a stronger economy, stronger families. And of course, when people own their own homes, they are free to take new jobs without worrying about losing housing benefits. We also see around the world that homeowners take more responsibility for the communities in which they live.

In America, we have worked hard to expand the dream of homeownership, and today, 65 percent of all Americans—an all-

time record—live in homes that they own. This has made our country stronger, and I know greater homeownership will also strengthen China. Because we want to support greater homeownership, I am proud to announce today that we are creating a U.S.-China residential building council to promote new technologies and energy-efficient materials to build sturdy homes that are affordable to live in.

Our Department of Commerce will also bring Americans to China to discuss how to build a stronger system of financing homes, from strengthening property rights to developing stronger mortgage markets. This will help to make more homes available to more Chinese families.

I am determined to build a strong partnership and a good friendship between the United States and China that will actually make a positive difference in people's lives.

Congratulations to all of you on your new homes and on the bright futures you are building for your families.

Thank you very much, and we thank the weather for holding off until after the event is over. [*Laughter*]

Thank you.

NOTE: The President spoke at 3:47 p.m. in the Jin Hui Gardens. In his remarks, he referred to Vice Mayor Zhou Muyao of Shanghai; Gu Cai Xin, Jin Hui Gardens developer; Yu Jianyuan, homeowner; and Chinese Ambassador to the U.S. Li Xhaoxing.

Statement on New Medicare Benefits

July 1, 1998

I am pleased to announce that starting today Medicare will cover two new preventive benefits to help detect osteoporosis and manage diabetes. These important benefits were part of the Balanced Budget Act I signed into law last year, which contained the most significant reforms in Medicare since the program's enactment in 1965.

Medicare's new prevention benefits will provide older Americans the tools they need to fight some of our most devastating chronic diseases. While one out of two women over the age of 50 will have an osteoporosis-related fracture during her lifetime, many women are not aware that they have this disease until they have a broken bone or fracture. I am extremely pleased that the First Lady, Mrs. Gore, and Secretary Shalala will be helping to publicize this new benefit to help women detect this disease early. Also, the new diabetes benefit is critical to the over 7 million Medicare beneficiaries who suffer from this disease. This benefit is part of our diabetes initiative that the American Diabetes Association believes is "as important to people with diabetes as the discovery of insulin in 1921."

This month marks the 33d anniversary of the Medicare program—one of our Nation's most important commitments to older Americans and people with disabilities. I am extremely pleased that we can strengthen this important program and help some of our most vulnerable Americans stay healthier and stronger.

Message on the Observance of Independence Day, 1998

July 1, 1998

I am delighted to join my fellow Americans across the nation and around the world in celebrating Independence Day.

Throughout the year, we set aside special times to remember and celebrate our different ethnic roots. But on Independence Day, we rejoice in our common heritage as Americans and in the values and history we share.

We have all benefited from the wisdom of our nation's founders, who crafted a blueprint for democracy that has served us well for more than 200 years and continues to inspire newly independent nations around the world. We are all heirs to the rights articulated in our Constitution and reaffirmed by courageous men and women of every generation who have struggled to secure justice and equality for all. We are all forever indebted to the millions of Americans in uniform who have shed their blood to defend our freedom and preserve our values across America and around the globe.

But we Americans are bound together not only by a shared past, but also by a common future. Blessed with peace and prosperity, we

have an unprecedented opportunity to prepare for the challenges of the next century: to keep America free and secure, to improve health care and education, to bring the opportunities of the Information Age into every home and classroom, and to strengthen the bonds of our national community as we grow more racially and ethnically diverse.

On this Independence Day, as we celebrate our rights and freedoms and look forward to a new century of limitless possibilities, Hillary joins me in wishing you a wonderful Fourth of July.

Bill Clinton

Letter to Congressional Leaders Transmitting a Report on the Conventional Armed Forces in Europe Treaty

July 1, 1998

Dear _____:

In accordance with Condition (14)(B) of the resolution of advice and consent to ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe (CFE) of November 19, 1990, adopted by the Senate of the United States on May 14, 1997, enclosed is the Report on CFE Treaty Designated Permanent Storage Sites (DPSS).

The Report is provided in both a classified and unclassified form.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives; Richard A. Gephardt, House minority leader; and Jesse Helms, chairman, and Joseph R. Biden, Jr., ranking member, Senate Committee on Foreign Relations.

Executive Order 13090—President's Commission on the Celebration of Women in American History

June 29, 1998

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Federal Advisory Committee Act, as amended (5 U.S.C. App.), and in order to celebrate the role of women in American history, it is hereby ordered as follows:

Section 1. *Establishment.* There is established the President's Commission on the Celebration of Women in American History ("Commission"). The Commission shall be composed of not more than 11 members appointed by the President from the public and private sectors. The public sector members shall include such persons as the President deems appropriate, including (a) the Assistant to the President and Director of Communications and (b) a person recommended by and who shall be the representative of the Administrator of General Services. The President may designate two members as Co-Chairs of the Commission. The private sector members shall represent entities interested in the Commission's work on American history, particularly the history of women in America. These entities may include, but need not be limited to, academic institutions, business entities, labor organizations, public interest organizations, arts and humanities institutions, State and local governments, athletic groups, and organizations devoted to civil rights and opportunities for minorities and women. The private sector members shall not be considered special Government employees.

Sec. 2. *Functions.* (a) The Commission shall make recommendations to the President, through the Co-Chairs of the Commission, on ways to best acknowledge and celebrate the roles and accomplishments of women in American history. Recommendations may include, among other things, the feasibility of a focal point for women's history located in Washington, D.C., and the use of the latest technology to connect existing and planned women's history sites, museums, and libraries.

(b) The Commission shall meet to carry out its work concerning the celebration of women in American history.

(c) The Commission shall report its recommendations, through the Co-Chairs of the Commission, in a final report to the President by March 1, 1999.

Sec. 3. *Administration.* (a) The heads of executive departments and agencies shall, to

the extent permitted by law and where practicable, provide the Co-Chairs of the Commission with such information with respect to women's history in America as the Co-Chairs may request.

(b) Members of the Commission shall serve without compensation for their work on the Commission. While engaged in the work of the Commission, members appointed from the private sector may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in Government service (5 U.S.C. 5701–5707).

(c) To the extent permitted by law and subject to the availability of appropriations, the General Services Administration shall provide the Commission with funding, administrative services, facilities, staff, and other support services necessary for the performance of the functions of the Commission. With respect to the Commission, the Administrator of General Services shall perform the administrative functions of the President under the Federal Advisory Committee Act, as amended, except that of reporting to the Congress.

(d) The Commission shall terminate 60 days after the submission of its final report.

William J. Clinton

The White House,
June 29, 1998.

[Filed with the Office of the Federal Register, 3:34 p.m., June 30, 1998]

NOTE: This Executive order was released by the Office of the Press Secretary on July 2 and it was published in the *Federal Register* on July 2.

Letter to Congressional Leaders Transmitting a Report on Most-Favored-Nation Status for Mongolia

July 1, 1998

Dear Mr. Speaker: (Dear Mr. President:)

On September 4, 1996, I determined and reported to the Congress that Mongolia was "not in violation of" the freedom of emigration criteria of sections 402 and 409 of the Trade Act of 1974. This action allowed for the continuation of most-favored-nation status for Mongolia and certain other activities without the requirement of an annual waiver.

As required by law, I am submitting an updated report to Congress concerning the emigration laws and policies of Mongolia. You will find that the report indicates continued Mongolian compliance with U.S. and international standards in the area of emigration.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. This letter was released by the Office of the Press Secretary on July 2.

Remarks in a Roundtable Discussion With Environmental Specialists in Guilin, China

July 2, 1998

[*The discussion is joined in progress.*]

Participant. ——the local government to stop the logging. But the local government is so poor, they ask for compensation. And then finally, the central Government agreed to give them 11 million RMB per year to stop the logging.

The President. Good.

Participant. So, now, well, for the time being, the monkeys are safe. This is one thing we have done. And I brought with me a picture of the monkeys and will give it to you as a gift.

The President. Oh, thank you.

Participant. So this is the only red-lipped primate besides human beings. And the total number of it is less than 12——

The President. My cousins. [*Laughter*] How many total number?

Participant. Less than 1,200.

The President. You know, in our country we have exactly the same issue. We have, in the Pacific Northwest and the West—California, Oregon, Washington—the U.S., we have—about 90 percent of our old-growth forest is gone. So now we have a law, a national law on endangered species, and it also protects the forest.

And we still have some logging in the forest, but you can't go in and just cut all the trees down. You have to be very careful, tree by tree, as the aging process goes, because I don't know how old the trees are, but these trees in the U.S. sometimes take 200 years for full growth. When our native tribes were there—Native American tribes—they would only cut the trees after seven generations of growth. And, of course, that's not enough for an industrial society. So now, we have pine forest; we just grow them faster. In 20 to 30 years, they can be harvested. And we try to get people to stay away from the old growth.

So, in this case, as I understand it, the provincial government has the first say, but the National Government can come in and stop it.

Participant. Yes. And actually, the county government, they own—they run the state timber companies there.

The President. What about tree planting projects, who does that? At what level is that done?

Participant. Well, at different levels. The central Government, local government, and also NGO's are all involved in this tree planting. But tree planting is so slow that all these older forests—they may have some trees over 400 years old, and all these newly planted trees are so small, there's no comparison with the forest.

The President. I agree with that. Interestingly enough, we now believe that tree planting may be most important in cities. We just had a study done in the U.S. which shows that a tree planted in a city will take in 10 times as much carbon dioxide as a tree planted in the countryside. Now, you say, well, of course, because that's where the smog is. But the important thing is we did not know until this study was done that the tree could take in 10 times as much and still process it.

I noticed in Shanghai yesterday—I say this because Shanghai, you know, is growing very fast, and they have all these wonderful new buildings—but I drove to one of the building complexes yesterday to meet a family in their new home, and I drove past a lot of the old residential areas, and in all the old areas there were lots of trees, not only trees down the street but trees up against the buildings.

So we're looking at whether in our country we should be supporting more of these tree planting operations in the cities because they do much more to clean the air than we had thought they did.

[*The discussion continued.*]

The President. Well, one of the things I think will really help is your government is moving to ban lead in the gasoline, going to unleaded gasoline. And that will help a great deal. And that's a very forward step.

But also children's lungs, they get polluted with all the things in the atmosphere. And you're right, that will make—smoking will become, interestingly enough, even more dangerous, more difficult because of all the pollution in the atmosphere.

So one of the things that I hope we can do in our partnership with the Chinese Government is to work on the technologies that will clean up the air in ways that we have been able to do without hurting the economy. We think there are ways to do that.

In fact, one of the things that I hope—I'm glad we have one business person here because one of the things we have seen is that we have actually created a lot of new businesses for cleaning the environment, and it creates a lot of jobs, provides a lot of opportunity for people to get an education and do this work.

[*The discussion continued.*]

The President. I believe that China has a unique opportunity because you're developing rapidly, but later in time than other countries, to avoid some of the terrible mistakes we made. And if I could just mention, in the conservation area, our traditional energy use that causes pollution is about one-third in vehicles, transportation; about one-third in buildings, both housing and office buildings; and about one-third in factories and in powerplants. And I think that if you—again, in China, it's probably more in factories and powerplants—a bigger percentage—probably now, but it will come toward these numbers.

If you just take them each in turn, in the vehicles, you have opportunities that, I think,

that will come to you because of the development of fuel injection engines, which will take 80 percent of the pollution away, or natural gas-powered vehicles, which, I think, are worth looking at.

In the residential areas—yesterday in Shanghai, I spoke to the American Chamber of Commerce in Shanghai, and there on a visit was the businessman who is the head of our homebuilders association in the whole U.S. Just a few weeks ago, we went to California, which has a warm climate like much of China, and we started—we announced a low-cost housing project for people with modest incomes. And in these houses, they have solar panels that now look like ordinary shingles on the roof and can be produced and sold for very little money, but they save huge amounts of money—energy. You know, then the powerplant can be used to power the country's industry if you use it. They have windows which let in more light but keep out more heat and cold. Now, they cost a little more, but over a 10-year period, they save huge amounts of energy.

All these things could be jobs for Chinese people coming out of the state-owned enterprises. Someone could come in and start making these solar panels that go on the roof, someone should start making these windows. They have light bulbs that cost—in our country, they cost twice as much, but they last 4 or 5 times longer, and they don't emit the same amount of pollution.

And then, finally, in the manufacturing industries, there are whole businesses in America—like you said, they make money going into these plants and saying, here are 100 things you can do and you will cut your energy use by 20 percent and increase your profits by 20 percent. And in powerplants, in our old powerplants, as much as 70 percent of the energy that goes in them, as you know, is lost in waste heat. So now we have huge facilities in America being heated and cooled with the waste heat.

I was in a cafe yesterday in Shanghai that had a picture of a famous American basketball player, Michael Jordan. Everybody knows who he is. Almost no one knows that the United Center where he plays basketball is completely heated and powered by waste heat, recovered from the normal electric generating capacity.

So these are things that we would like to work with you on, because these are all mistakes Americans made that we had to go back and undo. But since China is now building new factories, building new powerplants, building new homes, selling new cars—if you can do these things in the proper way the first time, you will have undreamed of efficiencies. And it will help the economy, not hurt it.

So I thank you for what you're doing.

[*A participant noted the improvement of water and air quality in Guilin since the 1970's, discussed the city's current environmental problems, and noted the impact of tourism on energy. The participant concluded by expressing the hope that cooperation on environmental issues between the U.S. and China would improve owing to the President's visit.*]

The President. One of the things we find—I'd like to ask Mr. Kong to talk next and then come back to Mr. Zhou, because I want to pursue this. I think it's a very good thing if one business does the right thing here, but if you don't have legislation, sometimes it can be unfair to one business. Because if one business does the right thing and the others don't, then the business that's the most responsible could have a hard time making a profit. But if everyone in the province or country has to do it, then everyone is in the same footing.

I would like to ask two questions. One is, if you were to adopt legislation, say, limiting the discharge of factories into the water and requiring that it be treated, would it be done at the provincial level or the national level? And two, are there funds available from the National Government to help communities like Guilin finance sewage treatment centers for the tourists or for the people who live here?

Because 20 years ago in the United States, this was a horrible problem. And I grew up in a little town—a town not so little, about 35,000—that had 3 lakes. And the lake with the largest number of people living on it and the largest number of tourists was totally polluted. But we could not afford to fix it. But

the National Government said—they gave us over time about 65 percent of the cost of it, and we came up with the rest, and we cleaned up the lake. So now the children can swim there. People don't get sick if they ingest the water. But we had to have some help. Where would the laws come from, provincial or national level? And is there now a fund which helps you with the sewage treatment?

[*A participant responded that China has national legislation governing water and air pollution, noise control, marine environment, and wildlife protection. In addition, provincial level legislation also exists. The participant noted that all factories comply to the same standards and explained that most funding comes from the National Government, but it is supplemented by some local taxation and factory fees.*]

The President. It can be more stringent?

Participant. Can be more stringent. It only can be more stringent.

The President. But not weaker? That's good, yes.

Participant. But funds from the central Government, basically—the investment for the environment basically is the responsibility for the local government, including fees. The central Government gave them a little money. It basically is not a common case. The reason is that—so in this case the central Government gave them some money. But basically it was provided by themselves, locally.

The President. You actually—you're a lawyer, and you helped to write these laws, right? [*Laughter*] So what do you think the next step should be? What is the next most important thing to be done?

Participant. I think the central Government should provide some additional funding to local government—is my personal will. And—[*inaudible*]—people, they share the same idea. But we have some different ideas from the economic people, from—[*inaudible*]—people. So we still have different views and positions on this issue.

The President. Let me say, in our country there is still a big fight over every new step, because there are always people who are afraid that if we take a new step, it will hurt the economy. But in the end—he talked about the tourists—if you want the tourists to come to Guilin, you have to have a clean environment. If you want a stronger economy, you have to produce healthy children. So at some point we have to see these things together.

Participant. The problem right now is the fee or the penalty is too light.

The President. Too light?

Participant. So a lot of our experts suggest to raise the penalty for the polluters.

[*A participant noted the difference on the emphasis placed on enforcement of environmental laws in the U.S. and China.*]

The President. Do you believe—let me ask you this, do you believe that most ordinary Chinese people believe that the environmental standards should be raised, that they basically support a strong environmental policy?

Participant. I think this public awareness is still not so strong, so public should be educated, make them know they have a right to that.

The President. That goes back to what Mr. Liang says about educating the public.

Mr. Kong, why did you clean up your factory if you didn't have to do it?

[*Kong Fanjian, founder and president, Liquan Brewery, described himself as an entrepreneur and offered the view that business must make a profit, but it must also protect the environment in which it operates. He recounted how his company asked its shareholders not to accept their dividends until it could develop a waste treatment facility to keep from damaging the Li River. His company has invested in many environmental projects but has yet to turn a profit. Mr. Kong expressed the need for more public awareness and assistance from the National Government.*]

The President. I know we have to go out to the program, but I wanted to give every one of you a chance to say—is there any specific thing that you believe that I could do or the United States could do in partnership with China that would be most helpful to you in what you're trying to achieve? If you were to ask us to go back and work with the Chinese Government on one thing that we

could do or with our business people on one thing to be helpful, what would it be?

[*A participant suggested more direct communication between American and Chinese environmentalists, rather than merely in government circles. The participant felt the Chinese could benefit from the maturity of the American environmental movement and suggested an educational television program be produced.*]

The President. So you think, for example, if we could arrange to have some of our leaders of our environmental groups come here and meet with citizens like you, you think that would be helpful?

[*The participant responded that it would be helpful and again suggested that an American-produced television program on environmental protection could be used on Chinese national television to broaden public awareness about environmentally hazardous materials, such as one-time-use products.*]

The President. One-time-use, yes. Yes, I agree with that.

[*The participant then described efforts to attract a National Government organization training center that might provide training for the enforcement of environmental law. The participant then noted that the U.S. lags far behind Europe and Japan in providing assistance to China on environmental issues.*]

The President. I agree with that. Give that speech to the Congress. Unfortunately, all the people here from my Congress agree with you, but we believe that the U.S. Congress does not give enough aid in these areas. And I think it is a huge mistake, and I'm always trying to get more. So I will take what you said and publish it widely when we get home.

You raised another issue that I think is important. We have this rule of law project with China, and my wife met with some people earlier in the week about this. But what happens when you have these environmental laws and the government has to enforce them is you will always have some honest disputes. And so there has to be some way of resolving them. When our environmental agencies impose regulations, if the companies think they're wrong or unfair or they made a mistake or they think they have a cheaper way to do the same thing, well, they have a way to go into the courts, and we examine that. So there has to be—I agree with you, that will be a part of it.

What else? Anybody else want to say what you think of that? Yes, Mr. Zhou.

[*A participant suggested the President could support Chinese environmentalists in achieving an alliance with American business leaders to promote energy efficiency in China. At this point, there was a break in the transcript, and it picked up with a participant describing the difficulty of balancing economic progress and environmental protection.*]

The President. It's an honest problem, too. And in the rural areas in all developed countries, people tend to be poorer. And they have to make their living, they believe, from natural resources. I told you, we had the same problem with the old-growth forests, and we had never handled this very well. So, in 1993 and '94, the Congress adopted a plan that I asked them to adopt to provide extra funds to these communities which were making the money from the logging to try to change the basis of their economy.

To be honest, no one knew whether we could do it or not. We didn't know. We thought we could, but we didn't know. But I can tell you now, 5 years later, the unemployment rate in all those communities is now lower than it was before we started to protect the trees. So over a 5-year period, we were able to do this. And I think it requires a lot of effort and some money and a lot of thought and very good, vigorous local leaders. You have to have local leaders who have confidence and then people who can change, you know. But I think this can be done.

[*Liao Xiaoyi, founder, Global Village Cultural Center, described her women's nongovernmental organization's focus on sustainable consumption and children's education. Her organization received a grant from the U.S. Environmental Protection Agency and used it to publish a children's environmental guide.*]

The President. Really?

[*Ms. Liao noted that women are an important force in the environmental movement because as mothers they care for their children's futures. She described her organization's annual forum on women in journalism and the environment. She noted that women are consumer decisionmakers receptive to ideas such as recycling. She expressed hope that more cooperation between the two nations will be promoted by the President's visit.*]

The President. Thank you. I agree with that. But interestingly enough, as a result of what you're saying—and that goes back to what Mr. Liang was saying—I think the more awareness the children have about this, and the more this is taught in school, the better. Because in our country now, I believe that the children are the strongest environmentalists.

You know, when I visit a community in America, suppose I—next week I have to go to Atlanta, Georgia, when I get back—very often a group of children will meet me at the airport, and they will bring me letters that the children have written. Sometimes they're 6 years old, these children, very young. And I always look over these letters to see what they're writing me about. They ask me questions, and sometimes they're, "How do you like being President," or something. But there are more letters from children age 12 and under on the environment than any other subject now, for the last several years.

So when the children begin to ask their parents about this, when they begin to talk about this at dinner, when it becomes a concern for the children, and then when the mothers are concerned about their health, I think it can change a country. No American official can talk to any group of schoolchildren for 10 minutes without being asked about the environment. It's an amazing thing. The children are sort of out there.

Well, I suppose we better go do the program, but this is very helpful. And we have taken careful note of what you have all said, and we will try to follow up. And I admire you all very much, and I thank you for what you're doing. It will help not only the Chinese people, but all the rest of us as well. Thank you.

NOTE: The discussion began at approximately 11 a.m. at Seven Star Park. In his remarks, the President referred to Liang Congjie, founder, Friends of Nature; Don Martin, president, National Association of Home Builders; and Zhou Dadi, director, Beijing Energy Conservation Center. The transcript did not include the opening portion of the discussion. A tape was not available for verification of the content of these remarks.

Remarks to the People of Guilin

July 2, 1998

Thank you very much. Thank you very much, Mr. Mayor. Thank you for welcoming us to your community and for your fine remarks. And, Senator Baucus, thank you for what you said. I want to thank you and all the Members of the United States Congress who are here with you. Our American Ambassador to China and the Chinese Ambassador to the United States and the other members of the Chinese Government who are here, and especially I'd like to thank Chairman Ding for being here and our Secretary of State, Madeleine Albright, and others from the White House. We are all delighted to be among you in Guilin today.

I would also like to express my appreciation to the seven Chinese citizens with whom I have just met because they are taking an active role in helping to clean up the environment, either of this area or the entire country. And I thank them for that, and they're all right there. I'd like to ask them to stand up because they spoke for all of China to me today. Please stand. [*Applause*]

And since we're here to talk about saving the environment, I want to thank Ambassador Li for giving me this energy-efficient air conditioner. [*Laughter*]

Since Chinese civilization first began to express itself thousands of years ago, its poems and paintings have sung of the beauty of the land, the air, the water. No place in China is more evocative of the beauty of your country than Guilin. The stunning mountains along the Li River are instantly familiar to millions and millions of Americans. When we see them, the landscapes of Guilin remind us of China's past, but we know they are

alive, and we are grateful for their preservation.

A new sense of cooperation is building between the people of China and the people of the United States, based on our shared ties of commerce and culture, our common security interests, and our common enthusiasm for the future. But a big part of that cooperation must rest on our common understanding that we live on the same planet, sharing the same oceans, and breathing the same air.

Not so many years ago in the United States, one of our rivers was so polluted it actually caught on fire. Foul air blanketed our cities; acid rain blighted our landscape. Over the last generation, we have worked hard to restore our natural treasures and to find a way to conduct our economy that is more in harmony with the environment.

China's extraordinary growth has put the same kind of pressures on your environment, and the costs of growth are rising right along with your prosperity. You know better than I that polluted air and water are threatening your remarkable progress. Smog has caused entire Chinese cities to disappear from satellite photographs. And respiratory illness is China's number one health problem.

We also know that more and more environmental problems in the United States, in China, and elsewhere are not just national problems, they are global problems. We must work together to protect the environment, and there is a great deal that we can do together.

China has the world's longest meteorological records, going back over 500 years. They help us clearly to understand the problem of global warming. The 5 warmest years since the 15th century have all been in the 1990's; 1997 was the warmest year ever recorded. And if present trends continue, 1998 will break the record. We know that if this trend continues, it will bring more and more severe weather events, and it will disrupt the lives of hundreds of millions of people in the world during the coming century.

China is already taking impressive steps to protect its future. Leaded gasoline is being banned. Inefficient stoves have been upgraded. People can find out about air quality from newspapers. Communities and provinces and the National Government are doing more to clean up rivers. Chinese scientists are fighting deforestation and soil erosion. And citizens are doing more to promote public education about the environment among families and especially among children.

The United States is determined to strengthen our cooperation with you. Last year our Vice President, Al Gore, and the Chinese Government launched a forum to coordinate sustainable development and environmental protection. In October at our summit, President Jiang and I oversaw the beginning of a joint initiative on clean energy. This week we have made important new progress. We will provide China assistance to monitor air quality. We will increase our support for programs that support renewable energy sources to decrease China's dependence on coal.

We are helping China develop its coal gasification and working with the Chinese to make financing available for clean energy projects through the Export-Import Bank. Because the United States and China are the world's two largest emitters of greenhouse gases that are dangerously warming our planet, we must do more to avoid increasing severe droughts and floods and the other kinds of destructive things that will occur.

Let me say, Mr. Mayor, I want to extend my sympathies to you on behalf of the American people for the families who suffered losses in the recent flooding here. It occurred just a few days ago, and some of our young Americans were already here working on the trip. They were honored to be able to work with you in some of the sandbagging and other things that were done. But we grieve with you in the losses that were sustained.

We cannot completely eliminate floods and fires and other natural disasters, but we know they will get worse if we do not do something about global warming. There are many people who simply don't believe that anything can be done about it because they don't believe that you can grow an economy unless you use energy in the same way America and Europe have used it for the last 50 years—more and more energy, more and more pollution to get more and more growth. That's what they believe. But I disagree.

Without any loss of economic opportunity, we can conserve energy much more than we do; we can use clean as opposed to dirty energy sources much more than we do; and we can adopt new technologies to make the energy we have go further much more than we do.

Now is the time to join our citizens and our governments, our businesses and our industries, in the fight against pollution and global warming, even as we fight for a brighter economic future for the people of China and the people of the entire world.

As we move forward together let us, Chinese and Americans, preserve what we have inherited from the past, and in so doing, preserve the future we are working so hard to build for our children.

Thank you very much.

NOTE: The President spoke at 12:22 p.m. on the Camel Hill Lawn in Seven Star Park. In his remarks, he referred to Mayor Cai Yong Lin of Guilin; U.S. Ambassador to China James M. Sassar; Chinese Ambassador to the U.S. Li Xhaoxing; Ding Zongyi, chairman, Chinese Children's Medical Society; and President Jiang Zemin of China. A tape was not available for verification of the content of these remarks.

Remarks at a Reception Hosted by Chief Executive C.H. Tung in Hong Kong Special Administrative Region, China

July 2, 1998

Chief Executive Tung. President Clinton, Mrs. Clinton, distinguished guests, ladies and gentlemen. First of all, Mr. President, may I, on behalf of all the Hong Kong people, extend our sincerest and warmest welcome to you and to Mrs. Clinton. It is indeed a great pleasure and a unique honor to see you here in Hong Kong, the first serving U.S. President to make such a visit. And although your time here is very short, I hope you and Mrs. Clinton will leave with memories to last you a lifetime.

Mr. President, as you know, your visit comes at an especially significant time in Hong Kong's history. We are celebrating our first anniversary as a Special Administrative Region of the People's Republic of China. Like the reunification itself just a year and one day ago, our first anniversary was a day of great pride—pride in that, after 156 years of separation, we are at last reunited with our own country.

We are Chinese, and like you Americans, our patriotic feeling is something very natural to us. We were saddened by China's past humiliation, and rejoice and take pride in her improving fortune today. As we welcome the 21st century, we are confident China will be more open and more prosperous and will play an increasingly important and responsible role in world affairs in the interdependent global community.

Yesterday was our first anniversary, and like all birthdays it was time for some reflection—to contemplate the challenges that lie ahead and how to achieve a brighter future for our community. Strengthening our ties with the United States is an important element in this quest.

Your landmark visit to our country over this past week and your summit with President Jiang Zemin bring with it the prospect of a new era of stability, prosperity, and peace in the Asia-Pacific region and indeed in the whole world. As you yourself noted earlier this month, and here I quote: ''A stable, open, prosperous China that assumes its responsibilities for building a more peaceful world is clearly and profoundly in our interest. On that point, all Americans agree,'' end of quote. We in Hong Kong also agree.

We're immensely pleased to see a deepening of the U.S.-Sino relationship. I'm certain that your visit heralds the beginning of a new chapter of cooperation between the two great countries.

For obvious reasons, stable and cordial Sino-U.S. relations are of enormous benefit and importance to us here in Hong Kong. At the same time, the excellent relationship between Hong Kong and the United States I believe can help to engender a deeper mutual understanding and respect between Chinese and American people.

The fact is, we are Chinese and have been brought up in Chinese tradition and values. We are proud of our heritage and our culture. But at the same time, many of us have received the benefit of education in the

United States and we respect the long-held beliefs and traditions of the American people.

Mr. President, almost 10 months ago, I had the pleasure of meeting you and your top advisers in the Oval Office of the White House. I was deeply touched by your very warm welcome that you afforded me and my colleagues, and impressed by your genuine interest in the knowledge of China and of Hong Kong. I assured you then, as I assure you now, and as I hope you will see for yourself on this visit, that the unique concept of ''one country, two systems'' is working and working well.

This past year has been tremendous and historic for Hong Kong and for our 6½ million people. The eyes of the world have not averted their gaze since our national and SAR regional flag were hoisted on the stroke of midnight on June 30th last year. But they have been transfixed by events we did not see coming, rather than those so confidently predicted by skeptics before reunification.

Were we simply to content ourselves with making a success of ''one country, two systems,'' then I deeply believe we would have few, if any, detractors. Indeed, the central Government leaders are determined to ensure the successful implementation of the Basic Law. And just yesterday, at our first anniversary celebration, both President Jiang Zemin and Vice Premier Qian have reaffirmed such determination. We in Hong Kong, too, are determined to ensure the concept of ''one country, two systems,'' which is enshrined in the Basic Law, be fully implemented. We will also gradually evolve our political structure, with universal suffrage our ultimate objective, in full accordance with the timetable laid down by the Basic Law and what is in the best interest of the people of Hong Kong.

This past year has brought to the region unprecedented financial turmoil, which is still sending waves of uncertainty across the world. In Hong Kong, our economy has also been severely damaged by this turmoil. Indeed, Hong Kong is presently undergoing a painful adjustment, which is essential if we are to continue to be competitive. However, with the entrepreneurial spirit of the Hong Kong people, expanding economy of the mainland, together with traditional prudent financial management, sound banking system, huge foreign exchange reserve that supports a stable exchange rate, we continue to look forward to our future with confidence.

Mr. President, what started as a regional crisis has taken on global significance which needs a global solution. Furthermore, a stable yen exchange rate and a healthy Japanese economy is essential not only for the financial stability of Asia but also for the world as a whole.

In these aspects, we are looking towards you for your continued strong leadership, which you alone can provide. While Asia remains in economic doldrums, the United States is enjoying tremendous economic success. Inflationary pressure has vanished. Unemployment is at historical low level. And much talked about budget deficit has been erased.

The American multinational today is lean, efficient, and competitive. The United States is truly playing a world leadership role in the financial and economic arena. Much of this has been achieved, sir, under your leadership and during your Presidency. On the world stage, despite mounting interest group pressures and ongoing differences between China and the United States, you have courageously stepped forward to lay the foundation for a strategic partnership between the two countries. A long-term relationship between U.S. and China, based on mutual trust, respect, and benefit, is undoubtedly in the interests of China, the United States, and indeed the whole world.

The continued economic vitality of the United States and the constructive relationship between our sovereign and the United States are both matters of great importance to us in Hong Kong. Mr. President, you were recently quoted by a publication here in Asia as saying, and here I quote: ''If the choice was between making a symbolic point and a real difference, I choose to make a real difference,'' end of quote.

Mr. President, you have made such difference on these important issues, and in Hong Kong we appreciate very much what you have done. Mr. President, Americans have commercial, cultural, and family ties in Hong Kong, stretching back over a century

and a half. The American community in Hong Kong, the largest expatriate business group in the SAR, underlines the fact that Hong Kong is America's closest business partner here in Asia. I extend to you and to all Americans an open invitation to visit our home, to experience our hospitality, and to join hands with us across the Pacific to forge an even greater friendship than that which we already know and we cherish.

Mr. President, thank you very much.

President Clinton. Thank you. Thank you very much, Chief Executive Tung, Mrs. Tung, members of your government, and citizens of Hong Kong. Hillary and I and our delegation, including several Members of the United States Congress and members of our Cabinet and other Americans, are all delighted to be here tonight.

Hong Kong is a world symbol of trade, enterprise, freedom, and global interdependence. Visitors come here for fashion and food. The world consumes your electronic products and your movies. And every American who has ever wanted to travel anywhere has wanted to come to Hong Kong.

This is, it is true, the first visit to Hong Kong of a President, and it's a fortuitous one for me that I can come and wish all of you a happy anniversary, but it is not my first trip to Hong Kong. My wife and I have both been here in our previous lives—or, as we say when we're back home, back when we had a life—[*laughter*]—and were free people and could travel, we came to Hong Kong.

Much has changed since we were last here more than 10 years ago now. I'm told that a 7-year-old girl back then was asked what she thought of Hong Kong and she said it will be a great city once they finish it. [*Laughter*] Of course, a great city is never finished. And this great city has always given me the feeling that it is always becoming something more and new and different.

Indeed, I was privileged, I suppose, to be one of the first people to land at your new airport tonight coming in. I have to say it was a mixed blessing because for those of us who have ever sat in a cockpit and landed at your old airport, it was one of the most exciting and uncertain experiences of my lifetime. [*Laughter*]

But I saw your brilliant new airport, and I was reminded that, indeed, in spite of the present difficulties in Asia, Hong Kong is still very much a city that is becoming. That is also true of America. President Franklin Roosevelt once said that our freedom was a never-ending seeking for better things. Hong Kong shows that that is what you are doing as well.

I must say too that I am profoundly appreciative to President Jiang and to all others who have helped make this trip to China a remarkably successful attempt to continue to build our partnership for the future. The open press conference we had that was televised to the Chinese people; the opportunity I had to speak to the students at Beijing University and to answer their questions, which were quite pointed and good, I thought, and then to meet with several thousand students outside; the television and radio interviews; the opportunities that Hillary and I had to meet with citizens from all walks of life in China, all this was encouraging and made me believe that we can build together a future that is more stable, more prosperous, and free.

And so I thank you all for giving me the best possible place to end my trip to China. I think that all that Hong Kong is to Americans and to the rest of the world is somehow embodied in your Chief Executive. He was born in Shanghai, raised in Hong Kong, educated in England, worked in New York and Boston. His children all have U.S. citizenship because they were born there. He's a fan of the Liverpool soccer club and the San Francisco 49ers. [*Laughter*] The world's city should have a citizen of the world as its chief executive.

I want you to know that the United States considers Hong Kong vital to the future not only of China and Asia, but of the United States and the world as well. Our ties must grow stronger, and they will. And this present financial crisis too will pass, if we work together with discipline and vision to lift the fortunes of our neighbors. Believe me, there is no one in America who is not eagerly awaiting the resumption of real growth and stability in the Asian economy, and we are prepared to do whatever we can to support it. We also appreciate what China and Hong

Kong have done and the price that has been paid to stabilize the situation.

So let us look forward to the future with all its vitality and all of its unpredictable events. Some will be difficult, but most will be very good, if, as I said to President Jiang, we stay on the right side of history.

Thank you very much.

Chief Executive Tung. Mr. President, I'd like to propose a toast to your health, to Hillary's health, and to the people of the United States of America.

[*At this point, a toast was offered.*]

President Clinton. And I, sir, would like to propose a toast to you and Mrs. Tung, to the people of Hong Kong, and to the future of our rich friendship.

NOTE: The President spoke at approximately 10:05 p.m. in the Grand Ballroom at the Government House. In his remarks, he referred to Betty Tung, wife of Hong Kong Chief Executive Tung. Mr. Tung referred to Vice Premier Qian Qichen of China. A tape was not available for verification of the content of these remarks.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

June 27

In the morning, the President participated in a welcoming ceremony with President Jiang Zemin of China in the courtyard at the Great Hall of the People in Beijing.

In the afternoon, the President had a working lunch with Premier Zhu Rongji of China.

June 28

In the morning, the President and Hillary and Chelsea Clinton toured the Forbidden City. In the afternoon, they traveled to the Great Wall at Mutianyu, and later, they returned to Beijing.

In the evening, the President and Hillary Clinton attended a dinner with President Jiang and his wife, Wang Yeping, at the Zhongnanhai Government Compound.

June 29

In the evening, the President and Hillary and Chelsea Clinton traveled to Shanghai.

June 30

In the morning, the President and Hillary and Chelsea Clinton toured the Shanghai Library.

The President declared a major disaster in Ohio and ordered Federal aid to supplement State and local recovery efforts in the area struck by severe storms, flooding, and tornadoes on June 24 and continuing.

The President declared a major disaster in Vermont and ordered Federal aid to supplement State and local recovery efforts in the area struck by severe storms and flooding beginning on June 17 and continuing.

The President announced his intention to nominate Robert Patrick John Finn to be Ambassador to Tajikistan.

The President announced his intention to nominate John Shattuck to be Ambassador to the Czech Republic.

July 1

In the morning, the President visited an Internet cafe. In the afternoon, he toured the Shanghai Stock Exchange and attended a luncheon for young entrepreneurs.

The President declared a major disaster in West Virginia and ordered Federal aid to supplement State and local recovery efforts in the area struck by severe storms, flooding, and tornadoes beginning on June 26 and continuing.

July 2

In the morning, the President and Hillary Clinton traveled to Guilin. In the afternoon, they took a cruise on the Li River, docking for a brief tour of Yucun village and then continuing the cruise to Yangshou. Later, they returned to Guilin.

In the evening, the President and Hillary Clinton traveled to Hong Kong. Later, the President met with Hong Kong Chief Executive C.H. Tung in the dining room of the Government House.

The Vice President announced that the President declared a major disaster in Iowa and ordered Federal aid to supplement State and local recovery efforts in the area struck by severe storms, tornadoes, and flooding beginning on June 13 and continuing.

The President announced his intention to nominate Bert T. Edwards to be Chief Financial Officer at the State Department.

The President announced his intention to appoint Ann Lewis and Beth Newburger as Cochairs to the President's Commission on the Celebration of Women in American History and the following individuals as members: Johnnetta B. Cole, J. Michael Cook, Barbara Goldsmith, Ladonna Harris, Gloria Johnson, Elaine Kim, Ellen Ochoa, Frances Preston, and Anna Roosevelt.

The President announced his intention to accord the personal rank of Ambassador to Ronald D. Godard in his capacity as Special Representative to the Inter-American Council of Integral Development at the General Assembly of the Organization of American States.

The President declared a major disaster in Maine and ordered Federal aid to supplement State and local recovery efforts in the area struck by severe storms and flooding beginning on June 13 and continuing.

The President declared a major disaster in New Mexico and ordered Federal aid to supplement State and local recovery efforts in the area threatened by extreme fire hazards on June 29 and continuing.

The Vice President announced that the President declared a major disaster in New Hampshire and ordered Federal aid to supplement State and local recovery efforts in the area struck by severe storms and flooding on June 12 and continuing.

Nominations Submitted to the Senate

NOTE: No nominations were submitted to the Senate during the period covered by this issue.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items not covered by entries in the Digest of Other White House Announcements.

Released June 27

Transcript of a press briefing by Press Secretary Mike McCurry, National Security Adviser Samuel Berger, and National Economic Council Director Gene Sperling on the President's visit to China

Fact sheet: Achievements of U.S.-China Summit

Released June 29

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by NSC Senior Director for Asian Affairs Sandy Kristoff, NSC Director for Asian Affairs Jeff Bader, Assistant Secretary of State for East Asian Affairs Stanley Roth, and Deputy Assistant Secretary of State for East Asian and Pacific Affairs Susan Shirk on the President's visit to China

Transcript of a press briefing by Special Representative for Presidential Rule of Law Initiative Paul Gewirtz, Peace Corps Director Mark Gearan, Assistant Secretary of Energy Robert Gee, and Professor Alan Turley on the President's visit to China

Released June 30

Transcript of a press briefing by Press Secretary Mike McCurry, Secretary of Commerce Bill Daley, and Special Assistant to the President for International Economic Policy Lael Brainard on the President's visit to Shanghai, China

Statement by the Press Secretary: Death of U.N. Special Representative to Angola Maitre Beye

Released July 1

Transcript of a press briefing by Press Secretary Mike McCurry and Deputy National Security Adviser Jim Steinberg on the President's visit to China

Released July 2

Readout by Press Secretary Mike McCurry to the pool

Fact sheet: Environment Speech and Roundtable

Acts Approved by the President

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.